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Coming Next Month

Europe: East

December, 1990

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Current History

NOVEMBER, 1990 VOL. 89, NO. 550

The cold war and a divided Europe have yielded to a reconfiguration of superpower relations. The author of our introductory article concludes that "the number of critical unknowns during this period of rapid change constitutes a veritable bonfire of uncertainties. . . . Given this range . . . the United States will need to be flexible, creative and patient. . . . In any case, the United States should remain a European power and Europe should become a world power."

The United States and the New Europe

BY ANDREW J. PIERRE

Senior Associate, Carnegie Endowment for International Peace

DEAN Acheson, United States secretary of state from 1949 to 1953 and a senior official before 1949, entitled his memoirs *Present at the Creation.* This was an apt title for the early, formative postwar period when most of the institutions and policies that were to serve the West well for 40 years were put in place. Today we are again present at the creation—of a post-cold war world. The structure that is created during the coming decade, which is likely to be determined by the initiatives begun in 1990 and developed over the next few years, may well be the framework of the European order for the next half century.

For Europe, 1989 was truly an annus mirabilis. The national revolutions that took place in the closing months of 1989 in East Europe (much of which now prefers to be known as Central Europe) were largely unexpected, both in scope and timing. These revolutions could not have taken place without the acquiescence of the Soviet Union, which, in turn, is in the midst of its own political and economic revolution. Moscow made the historic calculation that it was more to its long-term advantage to allow the Communist states in East Europe to slip away without resistance than to seek to retain its hegemonic hold. It chose not to interfere while Communist regimes were toppled and in several cases, like Czechoslovakia and East Germany, it indirectly assisted in the process. Furthermore, it arranged to withdraw its military forces from the other Warsaw Pact countries.

What followed is now irreversible. Whatever change is made in the leadership of the Soviet Union and whatever happens to the country as a whole, the transformation has moved too far for the Soviet Union to recover East Europe. The division of Europe is a thing of the past.

That the cold war in Europe would end so precipitously was not self-evident as the final denouement began. During the first half of 1989, protracted "roundtable" negotiations were held in Poland among the Communist government of President Wojciech Jaruzelski, the Solidarity movement led by Lech Walesa and the Roman Catholic Church leadership. These resulted in open parliamentary elections in June, which paved the way for the Solidarity-led government of Tadeuscz Mazowiecki, the first non-Communist government in the region. In Hungary, an already liberalized Communist party renounced Marxism and embraced democratic socialism as its guiding doctrine in October. This led to multiparty elections in April, 1990, and the replacement of the Communists with a center-right coalition led by Jozsef Antall of the Democratic Forum.

East Germany, Czechoslovakia and Romania were to follow, but the most significant domino to fall was East Germany, which most observers saw as the most successful and prosperous state in East Europe and the state most critical to Soviet security interests. Consequently, it was expected that East Germany would be the last state to shed the yoke of communism. But a trickle of East Germans, who had vacationed in Czechoslovakia and Poland in the summer of 1989 and had refused to return when they encamped at the West German embassies in those countries, became a groundswell after they were allowed to travel to West Germany. Others

followed through the newly opened border between Hungary and Austria. After large public demonstrations in Dresden, Leipzig and East Berlin, the East German authorities opened the Berlin Wall on November 9 in the belief that an assured free passage would stem the growing outflow of the population (especially the younger and better educated group), which was beginning to resemble a national hemorrhage.

Ironically, this was the very reason the wall had been erected in the first place. Meanwhile, the hard-line government of Erich Honecker had resigned, to be replaced by a more moderate Communist regime led by Egon Krenz; but it too was swept away before the year's end. Finally, free and open elections were held on March 18, 1990, with the winners—an alliance of conservative parties led by Lothar de Maizière—committed to early and rapid unification with West Germany.

Similarly, demonstrations in the streets of Prague in mid-November began the process of disintegration of Communist rule in Czechoslovakia. As in East Germany, a belated announcement of freedom to travel to the West proved insufficient to stem the tide. Under pressure from the Civic Forum human rights organization, the Czechoslovak Communist party agreed to remove from the constitution its claim to be the permanent leading party of the nation. An attempt to form a Cabinet containing both Communist and opposition figures failed, and by the end of the year there was a new Parliament in place. It unanimously chose the former dissident Vaclav Havel to be President.

In Romania, the transition was considerably more bloody and turbulent. Hundreds of Romanians battled with security forces in Timisoara when an attempt was made to evict Reverend Laszlo Tokes from his church; Tokes had protested for the human rights of the ethnic Hungarian minority. Nicolae Ceausescu, the long-time and much hated President, tried to restore order, but when he sensed that he had lost control, he attempted to leave the country only to be captured and executed along with his wife. Fierce fighting broke out in Bucharest and elsewhere between the regular army and Ceausescu's favored Security Forces (Securitate). Within less than two weeks, however, the revolution was won, and a new council of the National Salvation Front named Ion Iliescu interim President until elections were held.

The liberation of East Europe has opened a new era in world politics. Had it been achieved over the objection of the Soviet Union—a strong Soviet *nyet* backed up by a willingness to use military force could have prevented it—observers could not speak today about the end of the cold war. On the contrary, Moscow actually eased the process of change by actions like advising the Communist leaders of Poland to agree to form a government with the Solidarity movement and warning Honecker and Milos Jakes, general secretary of the Czechoslovak Communist party, of the consequences of resisting the tide of history. In the East European states, moreover, Soviet military forces stayed in their barracks. Although great credit must be given to the brave individuals who took to the streets and to the opposition leaders who demanded radical change, the end of the cold war in Europe was in large measure a result of Soviet President Mikhail Gorbachev's shrewd as well as enlightened policy.

A NEW ARCHITECTURE FOR EUROPE

At the start of the 1990's, diplomats face the need to create a new European order. This new European order will include both West and East Europe in many of its dimensions, although there will be structures that are principally relevant to one group of countries or another. It will, moreover, not be so much a new order, at least in the next few years, as it will be the product of an adaptation of existing institutions like the Conference on Security and Cooperation in Europe (CSCE) and the North Atlantic Treaty Organization (NATO).

Appropriately, this was recognized in the last month of the past decade in a prescient address by United States Secretary of State James Baker before the West Berlin Press Club. Citing the need for a "new architecture for a new era," Baker called for structures that could accomplish two purposes: first, to overcome the division of Europe and especially the division of Germany and Berlin; second, to maintain the link between the political, military and economic security of the United States and that of Europe. This was to be done by giving NATO new missions in fields like the verification of arms control agreements and dealing with regional conflicts, by deepening the institutional relationship between the United States and the European Community (EC) and by expanding the activities and increasing the importance of the CSCE.[1]

The word "architecture," which soon became fashionable in the foreign affairs community, was misleading to the extent that it suggested a blueprint or a fixed plan. What has begun is a creative process that is responding to the diminution of the Soviet military threat, to the liberation of East Europe and to the arrival of German unification This process involves a stream of ideas and proposals, and the gradual adoption of new or modified political structures over a period of time.

[1]"A New Europe, A New Atlanticism: Architecture for a New Era," United States Department of State, *Current Policy*, no. 1233 (n.d.). Baker's speech was made on December 12, 1989.

THE UNIFICATION OF GERMANY

The rapid and successful march toward German unity has been by far the dominant factor in the changing European political landscape during 1990. The first all-German national elections are scheduled for December 2; the treaty on the modalities of unification was ratified by the two Parliaments on August 31.*

There were several reasons for the surprisingly swift completion of the unification process. First, there was a need for a brake on the large flow of disaffected East Germans into West Germany. After the wall was broken, 3,000 East Germans were crossing over every day. With 360,000 having already left in 1989, the basic infrastructure of East Germany was crumbling; factories, transportation networks and basic social services, like hospitals, were grinding to a halt. The social and economic costs for West Germany were also causing concern.

Responding just three weeks after the wall was breached, West German Chancellor Helmut Kohl proposed a ten-point plan for a confederation of the two Germanys. Kohl was not unmindful of the fact that he might be the Chancellor who could bring about the unification of Germany, a goal that had been proclaimed by his countrymen ever since the end of World War II. His push for early unification received a major boost on March 18 when the Christian Democratic Union (CDU), the alliance of conservative parties in East Germany, won the election by a large margin.

Second, the administration of United States President George Bush decided early on to give full support to the Kohl government in its movement toward unification, despite the greater restraint shown by the European allies, especially the French and the British. Unification was seen as historically inevitable, and in Washington there were fewer concerns about the long-term direction of a new Germany. Rather than resisting unification, the American policymakers decided to focus their energies on making sure that American interests were properly safeguarded. Dealing with a complex set of policy and procedural issues, Baker and German Foreign Minister Hans-Dietrich Genscher worked closely together and were in constant touch throughout the year. The barely muted antipathy for the long-serving German foreign minister that had been evident in the administration of President Ronald Reagan was not evident in the Bush administration.

Third, the Soviet Union came to accept the fact that a unified Germany could be a member of NATO more readily than many had expected, although not without hesitation and many counterproposals. Shortly after the Berlin Wall came down, Gorbachev spoke about the grave problems inherent in any attempt to move toward unification. Responding to Kohl's ten-point plan, Soviet Foreign Minister Eduard Shevardnadze saw it as "fraught with dangerous consequences."[2] In the first weeks of 1990, Soviet spokesmen, accepting the fact that a unified Germany might be inevitable, talked about the need to make the new Germany a neutral state, not a member of any military alliance. This was rejected for a variety of reasons.

The United States wanted to keep Germany in NATO as part of the Western structure of defense. The West Europeans did not want a large and powerful Germany of 80 million people to become a loose cannon in the heart of the continent. The East Europeans also saw Germany's continuing membership in NATO as a guarantee of future behavior. As for the West Germans themselves, although there were leaders in the Social Democratic party who appeared willing to leave NATO, the Kohl government was steadfast in its adherence to the Alliance. Faced with this opposition, the Soviet Union turned to the idea that Germany could be a member of both the Warsaw Pact and NATO. But this was obviously impractical and entailed the added disadvantage of serving to prolong the life of the Warsaw Pact, which (after the revolutions in East Europe) was little more than an empty shell.

When the first "Two plus Four" talks[3] were held in Bonn on May 5, Moscow took still another tack, proposing that the immediate issues of internal German unification be decoupled from the external, international aspects of the problem. This was rejected by the West Germans, who did not want major questions left open as German unification was completed.

By the time of the Bush-Gorbachev summit in Washington on May 31–June 3, 1990, the United States and West Germany, in consultation with their principal allies, had pulled together a package of nine "assurances" intended to respond to Soviet concerns and facilitate acceptance of a united Germany in NATO:

- NATO military forces would not be placed in the former territory of East Germany for a transition period.
- Soviet forces would leave East Germany over a period of several years.

*On August 22, the East German Parliament voted to reunify with West Germany on October 3.

[2]Foreign Broadcast Information Service, *Soviet Union Daily Report,* December 6, 1989.

[3]This format had brought together the two Germanys and the four wartime Allied powers—the United States, Great Britain, France and the Soviet Union—to resolve the issues of German sovereignty and the rights and responsibilities that the Allied powers still maintained.

- The borders of Germany would not extend beyond those of West Germany and East Germany, thus assuring Poland that its border at the Oder-Neisse line† would not be altered.
- Germany would reaffirm its commitments neither to produce nor to possess nuclear, biological and chemical weapons.
- Germany would address economic issues in a manner that would support perestroika in the Soviet Union.
- NATO would conduct a comprehensive review of its conventional and nuclear strategy in order to fit the changed circumstances.
- The Conference on Security and Cooperation in Europe (CSCE) process would be strengthened.
- The Conventional Forces in Europe (CFE) negotiations would lead to talks covering all of Europe.
- Negotiations on short-range strategic nuclear forces would begin once a CFE treaty was signed.

Although the summit did not break the logjam, it clarified several issues and reaffirmed Western resolve. Acceptance of a unified Germany in NATO was difficult for the Soviet Union, which had suffered 27 million casualties during World War II and where the memory had been kept alive in order to justify large military expenditures.

Soviet acceptance was finally achieved when Kohl met with Gorbachev at his retreat in the Caucasus Mountains on July 15 and 16. Significantly, this came shortly after Gorbachev had weathered a number of challenges at the twenty-eighth congress of the Communist party of the Soviet Union. There he was able to point to several notable achievements in his approach to the West. Bonn had promised a large package of badly needed economic aid, including a 5-billion-deutsche mark loan. Earlier, at a summit in London on July 5 and 6, the NATO countries had declared that they and the Warsaw Pact countries were no longer adversaries; they adopted a series of changes in military strategy designed to reduce the scale of the military confrontation in Europe. In his meeting with Gorbachev, Kohl agreed that future German military forces would not exceed a manpower ceiling of 370,000, down from the then-current 667,000 in the armed forces of the two German states.** These measures paved the way for Soviet acceptance: the future Germany would be free to belong to whichever military alliance it chose, and it would be granted free and unrestricted sovereignty.

Although the German Question took center stage in the first half of 1990, the division of Europe will require a far wider, continental and even worldwide framework for the new security order. There has been no lack of proposals. Gorbachev has often spoken of a "common European house"; Shevardnadze has called for an "All-European Security Structure" that would lead to the elimination of the two alliances; Czechoslovak Foreign Minister Jiri Dienstbier has suggested a "European Security Commission" that would exist in parallel with NATO and the Warsaw Pact for five to seven years until they withered away; and French President François Mitterrand has proposed a "European Confederation."

Clearly, there is a need for some kind of pan-European security structure. Such a structure would provide important opportunities for East and Central Europeans to establish contacts with West Europe; it would help anchor a unified Germany, replace the Warsaw Pact and provide some guarantees against Soviet pressure. It would give the neutral and nonaligned states a voice in the future of the new Europe. It would satisfy some West European, especially German, aspirations for new relations in the eastern half of Europe and for a wider economic and diplomatic stage. The United States, presumably a participant, would be assured a role beyond NATO in all of Europe. The Soviet Union, also a participant, would be equally assured of such a role, while others would view the inclusion of the Soviet Union as a way of enmeshing it in a peaceful and stable system. More generally, it would provide a setting for what President Bush has called a Europe "whole and free."

At present, there is a consensus that strengthening and improving the CSCE is the best way to move toward a new pan-European security order. On November 19, the 35 member nations are scheduled to meet in Paris at the summit level.[4] At that time, they should start to correct the current shortcomings of the CSCE, which until now has been a diplomatic process rather than an institution. Relatively simple improvements might include the establishment of a small secretariat; the creation of a center for arms control and crisis management that would monitor and verify arms control agreements like the upcoming CFE treaty and could provide a venue and mechanism for settling political disputes; the establishment of a group for monitoring elections in the member states; and agreement on regular consultation among member

(Continued on page 391)

Andrew J. Pierre has been director general of the Atlantic Institute for International Affairs in Paris, and a senior fellow and director of European-American studies at the Council on Foreign Relations.

†The border drawn after World War II granting Poland the area east of the Oder and Neisse rivers.

**For excerpts of Kohl's and Gorbachev's remarks, see "World Documents" in this issue.

[4]Minus one if East Germany is no longer in existence, plus one if Albania's request to join is accepted.

". . . the future of European security and of Germany's role in it provides grounds for optimism. German unification is likely to be a stabilizing factor. . . . Unlike the post-Versailles era, the Germans will have a constructive leadership role in the new Europe."

Reunited Germany

By Stephen F. Szabo

Associate Dean for Academic Affairs, School of Advanced International Studies, Johns Hopkins University

While the revolutions of 1989 produced new regimes with the overthrow of communism, they also produced a new Germany in the heart of Europe. The collapse of the former German Democratic Republic (GDR) in East Germany and its incorporation into the Federal Republic of Germany (FRG) mean more than just the addition of five new states and a unified Berlin to the West German federation.* It means the enlargement of the population of Germany by almost one-fourth and its geography by more than one-third. Internally, it raises fundamental questions about the impact on German politics and political culture of the inclusion of a large number of people who have not experienced democracy for almost six decades. Externally, it opens a new era in European security, politics and economics.

The constitutional structure of the new Germany appears clear. The West German Basic Law (or constitution) provided for the unification of East Germany with West Germany in two ways. The two German states could have pursued the Philadelphia-style Constitutional Convention route under Article 146 of the Basic Law.[1] Under this provision, the two Germanys would have held a constitutional convention and drawn up a new German constitution. Under the Article 23 option, however, the East German state (or federal states) could simply apply for membership in the West German federation, much as a territory would apply for statehood under the American constitution.[2] Unlike the American model, however, the West German Parliament (the lower house Bundestag and the upper house Bundesrat) does not have the option of denying the application of these states. This is because the West German Basic Law states clearly in its preamble that it is a provisional constitution until the unification of the nation and that West Germany, which claims to be the legal successor to the Third Reich, is committed to the unification of the nation.

When the East German parliamentary election of March 18, 1990, produced a government led by close allies of West German Chancellor Helmut Kohl and his Christian Democratic party, the new East German Prime Minister, Lothar de Maizière, decided on the Article 23 route. He chose this method in close consultation with Kohl because he was faced with the imminent collapse of East Germany, and the preference of East Germans for unity as quickly as possible was clear. De Maizière and his alliance of Christian Democrats and Free Democrats ran on an election platform of rapid political and economic unity; their main opponents, the Social Democrats, favored the slower route of Article 146. The decisive victory of the conservatives on March 18 answered the constitutional and political questions.[3]

The entry of East Germany into the Federal Republic means that the political rules of the game as they were played in West Germany will continue to guide the politics of a unified Germany. On July 22, the East German Parliament (Volkskammer) reconstituted the five federal states that had been abolished by the Communists in 1952 and scheduled state legislative elections for October 14, 1990. These five states, along with the city-state of Berlin, and the ten West German states, will constitute the new German Republic that will have its capital in Berlin.

There may be some redrawing of state borders and a consolidation of the 16 states to a smaller, more manageable polity early in the life of the new Republic, but overall the constitutional system is

*On August 22, the East German Parliament voted to reunify with West Germany on October 3; the treaty was signed August 31.

[1]Article 146 states, "This Basic Law shall cease to be in force on the day on which a constitution adopted by a free discussion of the German people comes into force."

[2]After stating that the Basic Law applied to all the states of the Federal Republic and listing them, Article 23 states, "In other parts of Germany it shall be put into force on their accession."

[3]The results of the March 18, 1990, Volkskammer elections were Alliance for Germany (Christian Democrats, the German Social Union and the Democratic Departure), 48.2 percent; Social Democratic party, 21.8 percent; party of Democratic Socialism (Communists), 16.3 percent; Free Democrats, 5.3 percent; with smaller parties picking up the remaining 13 percent of the vote. *Der Fischer Welt Almanach: Sonderband DDR* (Frankfurt: Fischer Taschenbuch Verlag, 1990), p. 258.

likely to operate much as did that of West Germany. This means a decentralized federal system in which the states will continue to have important autonomy in administration, cultural policies and law enforcement. Given the divergence of East Germany from West Germany for over four decades, the new constitution is likely to be even more decentralized than the Basic Law. Important disputes over social policy as illustrated by an impasse over abortion law are likely to be settled by allowing the states a great deal of leeway in dealing with these issues.

A more uncertain aspect concerns the impact on the German political culture of the inclusion of 16 million people with no real democratic experience. The practice followed by West Germany of offering a haven to East German dissidents (including payment in West German marks to the East German government for their emigration) deprived the East Germans of a democratic political opposition and of charismatic leaders like Vaclav Havel of Czechoslovakia and Lech Walesa of Poland. This lack of political experience and leadership has been painfully apparent in the well-intentioned but ineffectual de Maizière government, a loose and unmanageable coalition that began to dissolve in July, 1990. The result has been a unification almost entirely managed by West German politicians.

Effective political parties will have to be developed in East Germany and professionalism in political leadership and administration will have to be nurtured. Like people in the other former Communist states of Central Europe, the Germans will have to co-opt many people who collaborated with or were integral parts of the old regime. This was, of course, also true in West Germany when many former Nazi party members and collaborators participated in the transition to democracy.

Another aspect of the democratization problem goes deeper. The last free election in East Germany was held in 1933 and at least two generations have been socialized in one of the most pervasive and efficient police states in Europe. Yet the early signs have been encouraging. Almost all East Germans watched democracy operate via West German television for years, and the German revolution of 1989 was restrained and democratic. It was a revolution from below and a peaceful one as well. In addition, the parliamentary election of March, 1990, produced a 93 percent voter turnout and a broad majority for democratic parties. The election may have been about a desire for prosperity and materialism, but there was also a strong democratic desire and joy. To East Germans, unification is about the deutsche mark and democracy. Merging into the mature democracy of West Germany means added insurance against any return of the secret police (the Stasi) and the police state.

Yet this new democracy, like the others in East Europe, will be severely tested in its early years. Unemployment, which had been officially nonexistent, soared by August, 1990, to one million people, either out of work or expecting to be laid off shortly (one out of every nine in the workforce) and may rise to three million before topping out. Anywhere from 30 percent to 75 percent of East German firms are likely to fail.[4] The general expectation among economists and business leaders in West Germany is that the former East Germany will take off economically within three to five years, but the politicians worry about the short-term effect on the upcoming all-German election. The bill for the West Germans for unification is also likely to be higher than most current estimates, which already amount to hundreds of billions of deutsche marks.

Will the bleak short-term economic effect of unification lead voters to shift their support to more radical parties on both the left and the right? Possibly, although the stability of West German institutions and parties is likely to contain these tendencies. Yet the future of the party system in the new unified Germany needs to be considered more closely.

THE NEW GERMAN PARTY SYSTEM

One of the keys to the success of democracy in West Germany has been the stability of its system of political parties. Unlike the failed democracy of the Weimar Republic, which was undermined by an unstable multiparty system dominated by extremist antidemocratic parties, in the West German party system, centrist, democratic parties have dominated. There has been a tendency toward a concentration of the system as well toward a three- or four-party system in which the centrist Free Democratic party (the FDP) has held the balance of power. This stable coalition system has produced majority centrist governments that have been able to govern effectively.

Will the addition of 12 million new voters to a West German electorate of 45 million swing the political balance away from the center or, alternatively, fragment the party system by adding new and undemocratic parties? Probably not. The electoral system adopted for the new German Republic (after much haggling and a coalition crisis in East Germany) will be, in effect, the system that has

[4]Marc Fisher, "East Germany Appeals for October Union, Vote," *Washington Post,* August 9, 1990, p. A16. By the end of June, 1990, the number of unemployed had risen to 142,000, up 47,300 from the previous month. See Miriam Neubert and Theo Moench-Tegeder, "Wie tief liegt die Talsole?" *Rheinischer Merkur,* July 20, 1990, p. 11. See also Marc Fisher, "Two Germanys' Leaders Call for Unification in October," *Washington Post,* August 4, 1990, p. A18.

operated in West Germany since 1949. This is in essence a proportional representation system that requires a party to obtain at least five percent of the national vote in order to enter Parliament, a hurdle that has proved to be an effective barrier against small extremist parties and is likely to remain so.

A look at the elections held in East Germany for the national Parliament in March, 1990, and for local councils in May, 1990, shows little support for nondemocratic parties. The former Communist party (now called the party of Democratic Socialism, PDS) was the only exception, gaining the support of 1.8 million voters, or 16.3 percent of the East German electorate, in March. Yet the PDS is unlikely to gain 5 percent nationally in the all-German election scheduled for December 2, 1990. In order to do so, it would have to win about 20 percent of the vote in the former East Germany, because it will find little support in West Germany. The PDS, however, is likely further to split a left already divided between the Greens and the Social Democrats; thereby it will enhance the conservative percentage of parliamentary seats.

Although the election of 1990 will probably be the most unpredictable one since the first Bundestag election in 1949, most surveys taken in West Germany at the end of the summer of 1990 indicated that the Christian Democratic Union (CDU) under the leadership of Chancellor Kohl had a strong lead and was the favorite to win the parliamentary elections.[5] Kohl was running as the Chancellor of reunification and the symbol of a revived Germany. He also benefitted from a strong economy, from optimism about the economic future, and from the public's view that his party was united while those of his opponents were not.

On the negative side, as a German commentator noted, "Kohl and de Maizière want to invite voters to the ballot box before they invite them to the teller's window to pay the bills."[6] The Kohl-led rush to unification and the impending economic collapse of East Germany provided incentives for Kohl to push for an early election as he and de Maizière attempted unsuccessfully in August to advance the date of the election from December 2 to October 14, 1990.

The Social Democrats, as they have so often done in the past, have stressed social issues rather than the national issue. Led by the mercurial young politician Oskar LaFontaine, the Social Democratic party (SPD) in its campaign played heavily on the costs of rapid unification for both Germanys. LaFontaine reminded voters in the East of the social dislocations they were likely to face and voters in the West of the bill they would have to pay, especially in terms of new taxes. The Social Democratic candidate for Chancellor, who had opposed the economic and monetary union engineered by Kohl in July, consistently argued for a slower pace toward unification; thus he divided his party over the national issue. The SPD leader in the Bundestag, Hans Jochen Vogel, helped reverse LaFontaine's opposition to the state treaty with East Germany that ratified monetary union, because he feared that the SPD would miss the boat on the national issue once again.

LaFontaine represents a major generational break within the party and in society at large. Like many West Germans of the postwar generations, LaFontaine is post-national in his views of Germany and of Europe. His concerns about rapid reunification went beyond the social and economic costs to worries about a revival of German nationalism. This distinguished him from the generations that had experienced a unified Germany and were committed to overcoming its division, a generation symbolized by figures like former Chancellor Willy Brandt.

The result has been a divided party and a divided message to the electorate. The SPD campaign in the East German election of March proved to be a forerunner of the all-German campaign, with Brandt and the old guard stressing the unification of the two Germanys while LaFontaine and many younger party leaders emphasized the costs and dangers of unification. The main beneficiary appeared to be Chancellor Kohl.

While the left was perhaps more divided than at any time since the founding of the Federal Republic, the right was relatively stable and cohesive. The fear that the new party on the right, the Republican party (Republikaner or Reps), which soared to prominence in state and local elections in 1989, might split the right in a manner similar to the Green split on the left, proved to be unfounded. The Reps were similar in appeal and leadership style to the National Front of Jean-Marie Le Pen in France. As was true in the case of Le Pen, the Reps mixed ap-

[5]A monthly poll commissioned by the weekly newsmagazine *Der Spiegel,* for example, found that in July, 1990, 43 percent of West German voters surveyed said that if the election were held that week they would vote for the CDU or its Bavarian affiliate the Christian Social Union (CSU), while 38 percent picked the SPD, 9 percent the FDP, 8 percent the Greens and 2 percent the new right Republicans. With the exception of the Republicans, who did not run, these results are almost identical to those of the last Bundestag election of March, 1987. They reflect, however, a surge of support for both Chancellor Kohl and his party following his summer successes in obtaining international approval for reunification. About three-quarters of those questioned believed that the Kohl government would win the coming national election. See "Nur jeder vierte glaubt an Wechsel," *Der Spiegel,* no. 31, July 30, 1990, p. 33.

[6]Dieter Schroeder of the *Süddeutsche Zeitung* as quoted in David Binder, "German Unity Drive Mired in Politics," *The New York Times,* August 6, 1990.

peals to anti-Semitism, resentment against immigrants from the third world, nationalism and anti-Europeanism with the charismatic allure of their leader, Franz Schoenhuber.

The party faded quickly in early 1990 when Chancellor Kohl captured the national issue, although at the price of stirring up anxieties for a few months about the future of the Polish-German border. Once assured that the Republicans were no longer a significant threat and faced with pressure from inside and outside the Federal Republic, Kohl finally agreed to the binding nature of the current Oder-Neisse line as the final Polish-German border.** Although they may find some resonance among voters in East Germany with their nationalist and antiforeign appeals, the Republikaner are given little chance to pass the five percent barrier in the all-German election.

The other conservative party, the Bavarian Christian Social Union (CSU), and its sister party in East Germany, the German Social Union (DSU), appear to be headed for smaller roles in the future. A Catholic and regional party, the CSU apparently lacks a constituency in Protestant Prussian and Saxon eastern Germany.

THE FREE DEMOCRATS

Finally, the Free Democrats are apparently entrenched as the center party in a future coalition with the CDU-CSU. Their titular leader, Foreign Minister Hans-Dietrich Genscher, remains by far the most popular politician in West Germany and is well known and respected in East Germany, especially in his native region of Halle.[7]

All this implies that the new German party system is likely to look a good deal like the old one. It will probably remain a four-party system (CDU-CSU, FDP, SPD and the Greens) although small groupings in East Germany may form alliances and survive briefly. The left faces the prospect of emerging even more divided than it was in West Germany, while the CDU will probably be the largest party in the system, marginally larger than it was in West Germany.

Will the election of 1990 be similar to the election of 1949? That crucial election was won by Konrad Adenauer, who established a CDU era of 20 years' duration. Then the Christian Democrats appealed to broad desires for materialism and security. In 1990, the CDU is likely to win on similar issues and will probably snatch the national issue as well. Its image as the party best able to provide peace and prosperity may prove to be decisive. If East Germany begins to experience an Eastern Economic Miracle before the next national election in 1994, a new CDU era will be in the offing. If, however, the implosion of East Germany is not slowed and if its reconstruction begins to drag significantly on the economy in West Germany, then the SPD may be able to return to power.

In any case, one of the German Questions of the twentieth century, the question of why Germany failed to sustain a liberal democracy,[8] seems to have been set to rest. While German democracy faces enormous challenges, it has a solid foundation in a mature democratic political system. The German party system and its political and economic institutions are flexible and stable. It should not take long for these democratic roots to be transplanted and to flourish in East Germany.

THE EXTERNAL DIMENSION

The other German Question concerns the role of a united Germany in a new Europe.[9] Besides the problem of building a stable democracy, the major German problem of this century has been fitting this dynamic and powerful state into the larger European state system while preserving an equilibrium. The Federal Republic of Germany fit well into postwar Europe. In terms of population it was roughly the same size as Britain, France and Italy. While its economy was the strongest in Europe, it was not dominant. West Germany was a medium-size state with limited political ambitions and a broadly European rather than a national approach.

In terms of population and economic power, the new Germany will be the largest state in Europe. Its population of 78 million will eclipse the population of its major European partners (France, Britain and

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**The border drawn after World War II granting Poland the area east of the Oder and Neisse rivers.

[7]While the East German Free Democrats received 5.3 percent of the national vote in the March election, they received 10 percent in Halle.

[8]See David Calleo, *The German Question Reconsidered: Germany and the World Order: 1870 to the Present* (Cambridge: Cambridge University Press, 1987), pp. 1-7.

[9]As Stanley Hoffmann has observed, ". . . the most serious concern is likely to be the prospect of a Germany, even harnessed inside a 'tight' European Community, that yields to the 'arrogance of power' that has been a characteristic of so many major states in history. Under these circumstances, Germany might behave less like a wise 'hegemon,' understanding the need to take account of the interests of lesser powers, than like a selfish player concerned above all with relative gains and insensitive to the claims and fears of others." "Reflections on 'the German Question,' " *Survival,* vol. 32, no. 4 (July-August 1990), pp. 295-296.

Stephen F. Szabo teaches European studies at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University. He is the author of *The Changing Politics of German Security* (New York: St. Martin's Press, 1990), and editor of *The Bundeswehr and Western Security* (New York: St. Martin's Press, 1990).

". . . in the short term, the Labour party finds itself uncomfortably suspended between past and future. It is too recently Socialist for many British voters yet not very different in any important sense from a Conservative party that over the past 11 years has shaped the economic and political environment to its own electoral advantage."

British Politics in the Post-Collectivist Era

By Anthony M. Messina
Associate Professor of Political Science, Tufts University

The period since June, 1989, has not been a happy time for British Prime Minister Margaret Thatcher or her ruling Conservative party. Starting with the loss of 13 seats and an erosion of 8.6 percent of the Conservative party vote in the elections to the European parliament of June, 1989—the worst showing of the Conservative party in a nationwide election in this century—Thatcher's government and her party have suffered numerous political and economic setbacks.

Consider the scope and magnitude of some of these difficulties. Following the defeat of the Labour party in the elections to the European parliament, anti-Thatcher sentiment within the Conservative party visibly boiled over, culminating in a challenge to her leadership in December, 1989, by a relatively obscure backbench member of Parliament (MP), Sir Anthony Meyer. Although Meyer was defeated easily, a politically embarrassing 57 Conservative MP's either voted against Thatcher or spoiled their ballots. In March, 1990, the Conservative party lost a parliamentary by-election to Labour in the constituency of Mid Staffordshire, a Conservative political bastion.

In May, 1990, the Conservative party suffered one of its worst-ever poll performances in a series of local elections held simultaneously across the country. The distribution of the vote nationwide implied an 8 percent lead for the Labour party heading into the next general election.[1]

In July, 1990, Nicholas Ridley, a close ideological ally of Thatcher's, was forced to resign as the secretary of state for trade and industry after making provocative statements about the alleged intention of German leaders to dominate contemporary Europe. Although Ridley "unreservedly" withdrew his remarks immediately after they were published, they nevertheless embarrassed Thatcher's government across West Europe. Moreover, since June, 1989, public opinion has shifted considerably toward the Labour party. Opinion surveys taken during this period indicate that the electorate either supports the two major parties almost evenly or, at the peak of the unpopularity of the Conservative party in the spring of 1990, that it overwhelmingly prefers Labour. At various points in time, Labour's lead over the Conservative party in the opinion polls has exceeded 20 percent.

All these negative political developments for Thatcher and her party have occurred in the context of, or have been precipitated by, a slumping national economy. The national balance of payments, for example, was in deficit by £14.5 billion (about $23.6 billion) in 1988 and an estimated £20 billion (about $32.6 billion) in 1989. On the basis of rather rosy projections, the government expects the deficit to shrink to £15 billion (about $24.4 billion) in 1990.[2] Real personal disposable income is expected to grow by only 1.5 percent this year, compared with an average growth rate of 4.5 percent during the previous four years. Annual inflation in 1990 is inching toward 10 percent, while real interest rates (and, hence, home mortgage rates) remain relatively high in a depressed national housing market. In June, 1990, consumer confidence was lower than it was at the nadir of the 1980–1982 recession.[3]

Compounding these difficulties has been the sporadic eruption of street demonstrations over the government's recent introduction of the local community charge (or poll tax, as it is commonly known), the escalation of terrorist violence on the British mainland by the Irish Republican Army (IRA) and the continuing political conflict between Thatcher and European Community (EC) leaders over issues related to the future of the EC. On this last score, Thatcher's tepid endorsement or outright opposition to European monetary union, rapid German unification, expanding the membership of the EC, maintaining economic sanctions against South Africa and extending considerable financial assistance to the Soviet Union have isolated Britain from its EC partners and alienated a significant

[1] *The Economist,* May 12, 1990, p. 59.
[2] *British Politics Group Newsletter,* no. 60 (Spring, 1990), p. 5.
[3] *The Economist,* June 16, 1990, p. 63.

fraction of the British electorate. In the latter context, there is probably no issue that divides the contemporary Conservative party more and that is seen by the British public to divide the party more than the future of the European Community. Unfortunately for Thatcher, most Conservatives outside Parliament oppose her broad policy toward the EC.[4]

One would have to go back to the dreary economic and political environment in Britain before the Falklands war to recall a gloomier period for the Conservative party since it assumed the reins of government in 1979. Yet many observers, including this writer, believe that the Conservative party will either win the next general election, which will probably be called in June or October, 1991, or will emerge from it as the largest parliamentary party in a no-majority or "hung" Parliament. Given the current difficulties of the Conservative party, why the guarded optimism about its electoral chances in the next general election?

The most obvious reason is that the Conservative party currently finds itself in an unusually favorable electoral position by the standards of postwar British politics. With the recent collapse of David Owen's Social Democratic party (SDP) and the poor performance of the Social and Liberal Democratic party (SLD) in the 1989 European and the 1990 local elections, the Labour party at present is the only viable political alternative to the Conservatives. Yet in the run-up to the next general election Labour faces a monumental electoral hurdle. Before Labour can win power, the Conservative party must forfeit it. The traditional adage, "oppositions don't win elections, governments lose them," still reflects the empirical reality of British electoral politics. There is little question that the current difficulties of the Conservative party will have to continue or worsen to give Labour an outside chance of forming the next British government; even if they do, the Conservative party could still probably win the election without difficulty if it replaced the increasingly unpopular Thatcher with another leader.[5]

Moreover, in order for Labour to emerge from the next election with a parliamentary majority, the party will have to gain an additional 97 seats over its 1987 general election total, a feat requiring an 8.5 percent vote swing from the Conservative party to Labour.[6] Such a large vote gain would not only be difficult for the Labour party to achieve, it would be unprecedented in the post-1945 history of British elections. Even a greater than normal swing of 4.5 percent from the Conservatives to Labour would not deny the Conservative party a parliamentary majority.

Labour's uphill electoral struggle only begins to explain why the Conservative party is likely to remain in government for the foreseeable future. The greatest political advantage of the Conservative party derives from the erosion of the postwar collectivist sentiment in Britain and the partial construction since 1979 of a conservative project to replace it.[7] What are the central features or goals of this proposal? Although scholars are sharply divided on this question,[8] there is a consensus that the political goals of the conservative project in Britain include undermining the social base of the Labour party and constructing a durable anti-Socialist electoral coalition; encouraging the emergence of an alternative "enterprise" party within the British party system; and dismantling or intellectually discrediting the institutions in British society that have a vested interest in a collectivist system. The broad intent of these interrelated goals is to eradicate all vestiges of economic and political socialism in Britain.[9] If these objectives are ultimately realized, conservatism will be established as the hegemonic political ideology and the Conservative party as the dominant political actor in Britain.

THE CONSERVATIVE POLITICAL PROJECT

Although none of the political goals of the conservative project have as yet been accomplished, all three have been advanced by explicit political design during the past 11 years of Conservative party government. Consider, for example, how Thatcher's three governments have substantially altered Britain's social structure to the political advantage of the Conservative party since 1979. In 1980, there were only 3 million individual shareholders in Britain. As a result of the government's privatization of British Telecom (1984), the Trustee Savings Bank (1986), British Gas (1986), British Airways (1987) and other state-owned assets, as well as the creation of various incentives to encourage employee share-ownership, the number of individual shareholders is now 9 million, or 20 percent of the adult population.[10]

[4] *The Economist,* June 24, 1989, pp. 55–56.

[5] *British Politics Group Newsletter,* no. 60 (Spring, 1990), p. 4.

[6] *British Politics Group Newsletter,* no. 58 (Fall, 1989), p. 9.

[7] See Peter Hall, *Governing the Economy: The Politics of State Intervention in Britain and France* (New York: Oxford University Press, 1986); and Dennis Kavanagh, *Thatcherism and British Politics: The End of Consensus?* (Oxford: Oxford University Press, 1987).

[8] See, for example, Andrew Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism* (London: Macmillan Education Ltd., 1989); Stuart Hall and Martin Jacques, eds., *The Politics of Thatcherism* (London: Lawrence and Wishart, 1983); and Bob Jessop et al., *Thatcherism* (Oxford: Basil Blackwell, 1988).

[9] Peter Jenkins, *Mrs. Thatcher's Revolution: The Ending of the Socialist Era* (Cambridge: Harvard University Press, 1988).

[10] Pippa Norris, "Thatcher's Enterprise Society and Electoral Change," *West European Politics,* vol. 13, no. 1 (January, 1990).

In 1979, there were 13.3 million trade union members, representing 54 percent of all British workers. As a direct consequence of the government-engineered recession of 1980–1982 and its continuous legal assaults on the power of the trade unions, union membership has declined by 2.8 million, with the heaviest losses concentrated in the unions most closely affiliated with the Labour party. Trade unionists currently constitute less than 47 percent of the labor force. Similarly, in 1979, 55 percent of all residential properties in Britain were owner-occupied. As a result of the Conservative government's "right to buy" law of 1980, 1.25 million council houses have been sold at below market value to their predominantly working-class tenants, helping to swell home ownership to 65 percent.

In each of these as well as other areas of public policy, successive Conservative governments since 1979 have sought to erode the electoral support of the Labour party among the working and lower middle classes by detaching the individual from the state and by cultivating the growth of an anti-Socialist, "enterprise society." In such a society, British voters have increasingly less incentive to support a Labour party that intends to expand social welfare services and the fiscal responsibilities of government.

It is, of course, too early to evaluate the ultimate electoral consequences of the new trends in share and home ownership and trade union membership. These changes are relatively recent and they cannot be expected to alter significantly the electoral balance between the Conservatives and Labour in the short term. Nevertheless, the preliminary evidence is not encouraging for the Labour party. In the 1987 general election, 36 percent of all manual workers voted for the Conservatives, the highest level of support for the party in this constituency since 1945. Moreover, the Conservative party outpolled Labour 44 percent to 32 percent among working-class homeowners and 42 percent to 31 percent among those who had purchased council houses. Among first-time share buyers in the newly privatized industries, of whom half were manual workers, the Conservatives garnered 51 percent of the vote.[11]

Although these results may not be permanent, they signal that an anti-Labour electoral alliance exists among a sizable fraction of Britain's working class, especially "affluent" workers, and the middle and upper class constituencies that have traditionally supported the Conservative party. The Conservatives have won three consecutive general elections on the back of this cross-class alliance. Unhappily for the Labour party, this electoral coalition will broaden and deepen if the recent changes in Britain's social structure have the expected political impact.

On the second front of the conservative project, the emergence of an alternative enterprise party within the party system, the Conservative party by all appearances has been less successful during the past decade. Despite the sporadic efforts of Thatcher and her Conservative colleagues to "talk up" the prospects of a realignment on the political left and the possibility that the Liberal Democrats will replace Labour as the Conservative party's primary electoral opponent, the SLD has not gained a secure place in the British party system. Nevertheless, the failure of the SDP and the SLD to displace Labour should not be interpreted as a permanent setback for the conservative project. Indeed, if the recent embrace of pro-market economic policies by the Labour party endures, then the second political objective of the conservative project is very close to fruition.

PROSPECTS FOR LABOUR

Labour's recent metamorphosis was effected by Social Democrats in the party, including current leader Neil Kinnock, who interpreted Labour's electoral debacles of 1983 and 1987 as the British electorate's rejection of the party's traditional Socialist policies. Operating on this assumption, the leaders of the Labour party initiated a comprehensive "policy review" in 1987 that, on its completion in 1989, committed the party to a macroeconomic strategy emphasizing the importance of market forces. Expunged from the current platform of the Labour party is the promise of old-style nationalization; emphasized in the new policy review are the rights of consumers. Under a future Labour government, British industry and the peak financial interests in the City (London) could expect accommodating policies that provide considerable continuity with the economic strategy pursued by Conservative governments during the past decade. Indeed, the economic policies of the Labour party now embrace market forces so thoroughly that in a recent survey of prominent British economists and representatives of the City, 51 percent agreed that a Labour government would benefit the economy and a plurality believed that Labour's shadow chancellor, John Smith, would make a better chancellor of the exchequer than the current Conservative chancellor. Moreover, an astonishing 62 percent of those surveyed approved of Labour's moderately redistributive tax proposals.[12]

Labour's recent embrace of the market undoubtedly improves its electoral position at the margins.

[11] Ivor Crewe, "What's Left for Labour: An Analysis of Thatcher's Victory," *Public Opinion*, vol. 10, no. 2 (July–August, 1987).

[12] *The Economist*, April 14, 1990, pp. 61–62.

So long as the party was widely perceived to be antagonistic to the Conservatives' new political economy, it could not make electoral inroads into the various constituency groups, including affluent workers, who have profitted from this economy. However, questions must be raised about the extent to which Labour's metamorphosis improves its electoral position and, specifically, whether the new economic orientation of the party will help it win the next general election.

There is at least one reason to doubt that it will. By allowing its economic policies to converge substantially with those of its political opponent, Labour risks being viewed by millions of British voters, especially in affluent southern England where its electoral support has significantly declined since the 1970's, as politically opportunistic and comparatively less committed to the ideological principles of the new political economy. Barring a major economic slump, much of the electorate will continue to support the architects of the new political economy, the Conservatives, rather than defect to Labour, a recent convert.

Moreover, Labour's apparent abandonment of socialism has undermined morale among many of its hardcore activists, an important intra-party faction that routinely mobilizes the vote and raises some financial resources for the party. Given Labour's historical difficulties in raising revenue and, at least since the 1960's, recruiting activists to canvass during general election campaigns, any loss of party workers will handicap its short-term electoral efforts. Nationwide, Labour has an enormous vote gap that it will not successfully bridge in the next general election without the support of substantial numbers of highly committed activists.

In contrast to the first two goals of the Conservative project, Conservative governments have not pursued the third goal primarily for partisan advantage. In dismantling or intellectually discrediting many of Britain's prominent intermediate institutions, the past three Conservative governments have often offended important constituencies in the Conservative party, especially during the government's well-publicized disputes with the Church of England, the Confederation of British Industry, the British Medical Association and the Bar.[13] However, on balance, the decade-long campaign to strengthen the state at the expense of civil society has injured the Labour party far more than its political opposition. In particular, the sustained assaults of Conservative governments on the political and industrial power of the trade unions and on the autonomy of local government have adversely affected Labour.

DECLINE OF TRADE UNIONS

The organizational decline of the trade unions since 1979 has already been noted. Apart from its negative effects on Labour's social base, declining union membership imperils the financial foundations of the party, as the unions have historically funded a very large percentage of Labour's annual operating budget and its general election expenses. It is fair to assume that Labour could not operate and compete as a modern political party without substantial financial contributions from the trade union movement. To date, however, the steep decline in union membership and the Conservative government's legislation in 1984, which obligates the trade unions to hold a ballot of their members every ten years on the question of maintaining a political fund, do not appear to be seriously hampering the ability of the unions to support Labour. The affiliation fees that the trade unions deliver annually to Labour's central headquarters increased between 1984 and 1987 from £2.9 million to £4.2 million. In the 1987 general election, the trade unions donated £3.8 million to Labour's national campaign, a 50 percent rise from the previous election in 1983.[14] Although generous, this level of assistance from the unions has not eroded the comparative financial advantage that the Conservative party has historically enjoyed. Labour was outspent two to one by its political opposition in the 1987 national campaign, a slight increase in the financial gap between the two major parties over the previous general election.

Like its assault on the trade unions, the attacks by successive Conservative governments on the economic and political autonomy of local government have not undercut the electoral position of the Labour party in the short term.[15] Indeed, if anything, Thatcher's hostility toward local government has probably stimulated higher levels of support for Labour in recent local elections. However, the decade-long strategy of Conservative governments to divest local government of significant eco-

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[13]*The Economist*, December 9, 1989, p. 54.

[14]Michael Pinto-Duschinsky, "Financing the British General Election of 1987," in Ivor Crewe and Martin Harrop, eds., *Political Communications: The General Election Campaign of 1987* (New York: Cambridge University Press, 1989).

[15]For an account of how far the powers of local government have eroded, see George W. Jones, "The Crisis in British Central-Local Government Relationships," *Governance: An International Journal of Policy Administration*, vol. 1, no. 2 (April, 1988).

Anthony M. Messina is the author of *Race and Party Competition in Britain* (Oxford: Oxford University Press, 1989) and many articles on British politics; he is a coeditor of *Ethnic and Racial Minorities in the Advanced Industrial Societies* (New York: Greenwood Press, forthcoming).

Some observers argue that "the old left-right cleavages in French politics based on socioeconomic and class differences are being replaced by a new distinction between those struggling to defend the national ideal and the nation-state, and those who want France to adapt to a new European and international reality, in which the nation-state will be less important."

France Faces the New Europe

BY STEVEN PHILIP KRAMER

Visiting Professor of Government, Georgetown University

WHAT matters to France today?* For its political elites, the answer is clear—France's role in a post-cold war world in which there is no longer a Soviet bloc but in which there is a reunified Germany. France may not have as decisive a role in affecting the architecture of the new Europe as it would like, but it will have some influence. Just how much will depend in part on knowing what it wants. Its influence will be maximized by the fact that France is much less divided today than it has been for a long time and that the institutions of the Fifth Republic, now universally accepted, allow the President of the Republic great latitude in formulating and executing French defense, foreign and European policy.

What matters to France—at least from the point of view of the political elite—may not be what matters to most French people. Other issues, like racism and immigration, are on their minds—issues that make the established parties uncomfortable. This has allowed the virulent Front National to set the domestic political agenda. What is the connection between the apparent "end of ideology" that seems to characterize establishment politics in recent years and the Front National, which wants to shatter the relative political peace that France has acquired? How serious a threat is the Front to the system? Could it weaken President François Mitterrand's hand in international affairs? As President Charles de Gaulle remarked on February 4, 1965:

> Assuredly, the success of so vast and difficult an enterprise [German unification] implies many conditions. Russia must evolve in such a way as no longer to conceive its future in totalitarian constraint imposed at home and abroad, but in progress accomplished in common by men and free peoples. Its satellites must play their role in a renewed Europe. It must be recognized, above all, by Germany, that the settlement of which it would be the object would necessarily include its frontiers and armaments in agreement with all its neighbors, East and West. The six states that, let us hope, are in the process of establishing the West European economic community must succeed in organizing themselves in the political and defense domain in order to make possible a new equilibrium of our continent. Europe, the mother of modern civilization, must be established from the Atlantic to the Urals in concord and cooperation to develop its immense resources and to play, together with its daughter, America, the appropriate role in the progress of two billion people who badly need it. What a role Germany could play in this worldwide ambition of the rejuvenated Old Continent!

President Charles de Gaulle's inheritors are witnessing the fulfillment of one of his greatest hopes, the dissolution of the Soviet and American blocs. Naturally, they welcomed the transformation of the Soviet system and the democratic revolutions that swept East Europe. But the French, like everyone else, were caught off guard when the unlikely prospect of German unification suddenly became a fact. When they discovered the limits of their power—they could not arrest or even slow down the process of unification—there was a moment of panic. Taken aback by West German Chancellor Helmut Kohl's announcement of a ten-point plan for German reunification without prior consultation, Mitterrand went on a previously scheduled trip to East Germany on December 20–22, 1989, where he seemed anxious to prop up East Germany as a separate entity. A December 6 visit to Soviet President Mikhail Gorbachev in Kiev had seemed like a forlorn effort to enlist Soviet cooperation in blocking German unification. Fortunately, France and Germany soon adopted a more cooperative approach. The German question would be solved within a European framework.

The French decision to seek a solution to German unification within the structure of Europe is fully consistent with 40 years of postwar French policy. Therefore, France is striving to anchor Germany

*I would like to thank Paul Manuel and Josef W. Konvitz for their comments on this article.

Some of the material herein derives from Josef W. Konvitz and Steven P. Kramer, "Mitterrand Is Europe's Middleman," *Los Angeles Times*, January 14, 1990.

ever more firmly to the European Community, hoping that there will still be room for French political and military leadership in Europe even with an economically powerful Germany. At the same time, French leaders are reassessing some of the contradictions of Gaullism.

To understand the significance for France of the reopening of the German question, we must briefly examine its historic context. From the age of Louis XIV to the battle of Waterloo, France, the most powerful, prosperous and populous nation in West Europe, tried repeatedly to attain hegemony in Europe. In 1648, at the Treaty of Westphalia, France was only too happy to keep Germany splintered into hundreds of ministates without a strong central authority. Napoleon Bonaparte's humiliation of Prussia helped arouse a spirit of German nationalism. In 1815, at the Congress of Vienna, French leaders shared the European consensus—maintaining the status quo of a divided Germany.

Between 1815 and 1870, however, France lost most of its comparative economic and demographic advantage. The political incompetence of Napoleon III allowed Prussia a free hand in gaining domination in north Germany. In 1870, France fought Prussia in what was in effect a last-ditch effort to prevent German unification, despite France's manifest lack of preparation. Following the debacle of the Franco-Prussian War, France was no longer perceived as the paramount land power in West Europe; it became a weak state whose survival would be threatened in the event of another conflict with Germany.

A widening economic and demographic gap and France's political isolation aggravated this situation between 1870 and 1890; after 1890, France tended toward dependence on its allies, especially Great Britain. It sought security, not dominance. In 1919, at Versailles, the French endeavored to cripple a Germany more powerful than France. If they could not dismember Germany, an idea to which their allies would not agree, they could at least make sure that Germany would be shackled, demilitarized and weighed down with reparations. This policy, however, only undermined the economic basis of peace and encouraged rightist extremists in Germany, including Adolf Hitler, who did exactly what the French feared. (In all fairness, France did follow a much more conciliatory policy after 1924, but it did not succeed.)

After World War II, the French initially returned to their hard-line vision of 1919. After all, the case could be made that the problem of the Versailles settlement was that it had been too soft. But the advent of the cold war made France's Western allies regard Germany as an indispensable part of Western defense against Soviet communism; persistence in a hard-line policy threatened to make France, not Germany, into a pariah, an unacceptable situation when French economic survival was dependent on American aid.

Finally, in 1950, diplomat and political economist Jean Monnet inspired and Foreign Minister Robert Schuman carried out the Schuman Plan, which became the model for a new vision of Europe. Economic rivalry and French claims over German resources were resolved by Europeanizing coal and steel within the European Coal and Steel Community. Later expanded into the Common Market, this approach received American support but lacked British involvement. West German Chancellor Konrad Adenauer and Schuman worked together to bring about European economic integration as a step toward political integration. A United States of Europe would constitute the solution to historic European conflicts.

The process toward integration was thrown into disarray, however, with the failure of the French National Assembly in 1954 to adopt a French-designed proposal for a European Defense Community (EDC). After the outbreak of the Korean War in 1950, the Americans had insisted on a greater European contribution to defense, which presupposed a German military role. By arming Germans within a common European army rather than rearming Germany, the European Defense Community was intended to palliate fears of German militarism and to move forward plans for European unification under French leadership.

This badly timed effort to make a virtue of necessity was fought by those in France who opposed German rearmament as well as by those who opposed abandoning French control over its national defense. After some confusion, the movement toward European integration was carried forward in the economic realm, with the signing of the Treaty of Rome in 1956 and the establishment of the European Community (EC).

De Gaulle, who opposed the Monnet vision of European supranational institutions, an Atlanticist Europe, and the EDC, returned to power in 1958, after the Fourth Republic collapsed as a result of the Algerian War. De Gaulle was no less concerned about Franco-German relations and European construction, but his model was different. He believed that the basic unit in politics is the nation; thus he refused to subjugate France to any supranational authority. "A so-called integrated Europe, which would have no policies, would come to depend on someone outside; and that someone [a clear reference to the United States] would have a policy of its own," he declared in a press conference on May 15, 1962.

Contrary to the fears of the Europeanists, he did

not withdraw France from the EC, but the Luxembourg compromise of 1966 froze community development, preventing the emergence of a true common market and blocking the introduction of majority voting and other measures that would have increased supranational authority. De Gaulle also vetoed British membership, on the grounds that the British were not yet truly European and would be a Trojan horse for the Americans. Thus he helped to usher in the era of Eurosclerosis.

At the same time, de Gaulle opposed Anglo-American domination of the North Atlantic Treaty Organization (NATO). When his efforts to increase the French role were rejected, he withdrew France from the NATO integrated military command and evicted NATO forces from France; France, however, remained within the Alliance. To give substance to French claims to defense independence, de Gaulle developed a French nuclear force.

De Gaulle was not anti-European, but he wanted a Europe founded on states and led by France. His efforts to create greater European unity through a mechanism of state consultations, the so-called Christian Fouchet Plan of 1962, was rejected by Benelux leaders who thought it would undermine the EC.** So de Gaulle turned to Franco-German rapprochement. He wanted to establish a special Franco-German relationship that would enable France to lay claim to European leadership. Adenauer was attracted to aspects of the Gaullist program. In 1963, the Elysée Treaty was signed, providing for Franco-German military cooperation. The German Bundestag ratified the treaty but attached a preamble explaining that cooperation should take place within the framework of NATO. This essentially negated the treaty, which was not put into effect. If asked to choose between France and the United States, the Germans would not abandon the American nuclear umbrella. Nor, for that matter, were they prepared to abandon the European ideal. The French veto of British membership in the Common Market, Adenauer's retirement and French withdrawal from NATO's integrated military command initiated a period of deteriorating Franco-German relations.

After de Gaulle's departure in 1969, the Gaullist legacy underwent a sea change. President Georges Pompidou ended the veto of British membership in the Common Market. Presidents Valéry Giscard d'Estaing and François Mitterrand, while continuing to affirm defense independence, moved closer to NATO and the United States. Rather than wanting to confront the United States, the French came to see the American nuclear umbrella as compatible with, even essential to, an independent French policy. At the same time, concerns about the danger of a German drift away from NATO toward neutralism mounted in the early 1980's. Germany had to be anchored firmly in NATO and Europe. In 1983, Mitterrand virtually campaigned against his brother Socialists in West Germany because they were soft on the Intermediate-Range Nuclear Forces (INF) treaty.

Both Giscard and Mitterrand seemed anxious to open up the prospects of closer Franco-German military cooperation; even the possibility that French nuclear sanctuary would be enlarged to include Germany was raised. In 1982, Mitterrand and German Chancellor Helmut Schmidt reactivated the Elysée Treaty; in 1984, a modified Western European Union (WEU) was put into effect. France wanted to reinforce the European pillar of the Alliance, perhaps through the WEU, but it certainly did not want the United States to leave Europe. France continued to balance its two historical fears of the postwar era: American hegemony and American abandonment. The latter was now feared more strongly.

By the 1980's, the French were also ready to join the Germans in bringing Eurosclerosis to an end. Resuming their historic role as the locomotive of the European Community, the two states formulated the Single European Act. The EC moved toward becoming a true common market. The French finally accepted qualified majority voting on many kinds of issues and supported monetary integration. Meanwhile, the British, under Prime Minister Margaret Thatcher, fought a rearguard action on behalf of the national state.

The sea change referred to above did not, however, constitute the equivalent of a reversal of fundamental Gaullist defense positions. France has not been willing to return to the NATO integrated military command. French defense continues to be national and independent. Enlarged sanctuary has not meant joint decision making; cooperation and consultation meant no more than that. However much Mitterrand's inner heart may have remained Atlanticist—and there is no way to know—it was politically necessary that his defense policy remain more or less in the Gaullist tradition. It was the position that divided France least and that divided the ruling Parti Socialiste (PS) least as well.

The emergence of German unification in 1989 accelerated French efforts to moor Germany to Europe by deepening the EC. On April 19, 1990, Mitterrand and Kohl jointly advocated a European political and security union. The question remained: would the French desire to moor Germany in West Europe prove stronger than traditional French fears of supranational authority? It is in-

**Benelux consists of Belgium, the Netherlands and Luxembourg.

creasingly obvious that Mitterrand has answered in the affirmative. In the spring and summer of 1990, Mitterrand and Kohl issued a series of joint declarations on matters ranging from Lithuania to aid to the Soviet Union, a demonstration of their commitment to work closely together. Even more striking, Mitterrand used the term "federalism" to describe his goals for Europe, and federalism is not a Gaullist word.

Much harder to assess is the question of French attitudes toward new security arrangements in Europe. The reason may be the delicacy of the situation. If the French had their own way, they would probably opt to maintain the status quo, that is to say, retaining a military not a political NATO, with a continued American military presence in Europe and an American nuclear umbrella. They would also move toward creating a European pillar in the Alliance.

But the French are doubtful that the Americans will remain in Europe and that in any case Germany will continue to accept their presence indefinitely. If that is true, then it is even more important to create a European security system including Germany before the Americans leave. But it is equally essential that the attempt to create such a system not prejudice the maintenance of an American presence.

At the same time, the ambiguity and precariousness of the present situation can be construed as justifying de Gaulle's belief that, in the final analysis, France needs to maintain its own defense capability. But will a purely French national defense prove ultimately compatible with a genuinely European security system? The French are also concerned about the possibility of NATO's abandonment of nuclear deterrence for conventional defense—after all, France's defense policy is fundamentally based on the concept of nuclear deterrence.

The French have been remarkably discreet in discussing future security options; the President's utterances have often been sibylline. This has led to conjecture that Mitterrand lacks the vision to create a model for European defense cooperation and a new NATO, that France is missing a historical opportunity to do what de Gaulle wanted, namely, to take the leadership of Europe. Yet Mitterrand's leadership on Community matters indicates that he has a vision for Europe that involves giving priority to Community questions (which is one reason he is so frustrated with Thatcher). He has always proceeded carefully and masterfully behind the scenes. Does he believe that the security issue is so complex that he wants to move slowly and privately, that the moment to raise new options has not yet arrived? In any case, Mitterrand has proved that France still remains capable of exerting leadership in the European arena.

PRESIDENTIAL AUTHORITY

Fortunately, France is in a relatively good position to cope with the new European situation. Today, there is a broad agreement among all major parties on matters of defense and foreign policy. Furthermore, the constitution of the Fifth Republic and the present political situation give the President almost complete authority in this domain.

This is a significant change. The curse of French political life since the Revolution of 1789 has been political instability. Instability contributed to France's decline as a great power in the nineteenth century. In the 1930's, polarization between the left and the right reached such extremes that agreement on the definition of national interest was lost, leading to the debacle of 1940. The Fourth Republic, created in 1946, also failed to create consensus and collapsed 12 years later. Even the Fifth Republic initially divided the French people, although in the long run its strong executive-dominated institutions proved well suited to contemporary needs.

In recent years, however, the ideological fervor and the insurmountable differences separating right and left seem to have come to an end. After decades in opposition, the Socialists finally came to power in 1981, determined to make a "break" with capitalism. This effort failed in 1981–1983; the Socialists then moved back toward the center. Faced with popular opposition, the right's efforts to roll back most of the Socialist legislation soon ground to a halt. Cohabitation between a Socialist President and a conservative parliamentary majority in 1986–1988 was decisive in producing an "end to ideology." The voters reelected Mitterrand because he appeared less divisive than his Gaullist rival, Prime Minister Jacques Chirac. Party politics did not come to an end, but simply became less ideological—more the struggle of "outs" versus "ins."

Michel Rocard, Prime Minister since 1988, has pursued a reassuring centrist policy line, which has been well received by the business community but has been regarded somewhat less favorably by the left of the Parti Socialiste, which feels that not

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Steven Philip Kramer is the author of *Abel Gance* (Boston: Twayne Publishers, 1978), and *Socialism in Western Europe: The Experience of a Generation* (Boulder, Col.: Westview Press, 1984). He has served in the United States State Department, Bureau of Interamerican Affairs, Office of Policy Planning; and at the Carnegie Endowment for International Peace.

"In the last decade of the twentieth century, Italy is beset by complex and contradictory trends. Private affluence continues to surge, but both old and new problems contribute to a degradation of public life and the social and natural environment."

Italy: Richer and Unhappier

BY LARRY GARNER
Lecturer in Political Science, DePaul University
and
ROBERTA GARNER
Professor of Sociology, DePaul University

THE collapse of the Communist regimes of East Europe and the Soviet Union's newfound enthusiasm for the principles of market economics have been warmly greeted by the Italian press and by Italians across a broad spectrum. For the business community, the changes in East Europe represent a grand opportunity for expanded trade and capital investment in an area that has been underexploited by Italian capital (exports to East Europe and the Soviet Union account for only about 3 percent of Italy's total). For the political and intellectual establishment, the changes are seen as a vindication of its axiomatic view that in the realm of politics and economics the only realistic and desirable possibilities consist of variations on the liberal democratic state and the market economy based on private property.

Authoritative newspapers like *La Repubblica* and *Il Corriere della Sera* have reported the events with a tone suggesting that at last the elites of East Europe have come to their senses and to the realization that socialism cannot have any "different face" from the repressive and inefficient one it has shown the world. Only some trade union circles sounded a cautionary note with their concern that Italian capital might shift some of its operations to the cheaper labor zones of East Europe. But for most people the moral of the story was inescapable: freedom and prosperity are possible only where the institutions of democracy and capitalism abide.

This triumphant spirit has been buoyed by the perception that Italy is no longer a country beset by material shortages, but is rather a country of surpluses.[1] The new age of abundance is often attributed to the "spirit of conquest" among Italy's new entrepreneurs of the 1970's—further confirmation of the vitality of capitalism compared with the doldrums of state socialism.[2] Although this view underestimates the role of local and regional government in providing essential infrastructural services, Italy's private sector can claim credit for propelling Italy beyond Great Britain into fifth place among the industrialized economies, virtually on a par with fourth-ranked France.[3]

The economy continues to grow at an impressive pace (3.9 percent in 1988), and Italians enjoy a level of consumer affluence that was barely imaginable 20 years ago. In the last 15 years, per capita consumption has increased 50 percent and automobile ownership has doubled. Fully 40 percent of Italian consumers today consider themselves "rich and sophisticated." Although Italians now spend lavishly on clothing, cars and travel (over $6 billion on overseas travel in 1988), they still maintain a rate of savings (21.3 percent) that is higher than even the Japanese.[4]

While developments in East Europe have served to reinforce the Italian establishment's satisfaction with the present course, they have had a more unsettling effect on the Italian Communist party (PCI). This is not to say that most of the leadership of the party was displeased with the process of democratization and economic diversification taking place there. On the contrary, both the right wing and most of the left wing of the party had viewed the continued existence of the East European regimes as a millstone around the party's neck. The changes in East Europe have strengthened the agenda of the right wing (the so-called meliorists, headed by Giorgio Napolitano), which calls for an acceptance of the capitalist economic framework of development, an overt effort to woo the Italian Socialist party (PSI) as an ally, and a thorough "laicization" of the party (the efforts to rid the party of all its church-like qualities, like sacred traditions and texts and sacrosanct past leaders).

[1]This is the theme of *Italy Today: Social Picture and Trends, 1989* (Rome: Franco Angeli, 1990), the report of Censis, a private socioeconomic research foundation that issues an annual report on the state of Italy.

[2]42.6 percent of Italy's small and medium-size businesses were founded after 1970. See ibid, p. 57.

[3]See Raffaella Nanetti, *Growth and Territorial Policies: The Italian Model of Social Capitalism* (London: Pinter Publishers, 1988).

[4]Censis, op. cit., pp. 246–247, 251.

Until the end of 1989, Achille Occhetto, general secretary of the Communist party since June, 1988, had pursued a style of leadership typical of the centrist factions long in control of the post. On the one hand, the right was pleased with his indictment of Palmiro Togliatti, the revered general secretary of the party from 1927 to 1964, as "co-responsible" with Joseph Stalin for the political crimes of the 1930's (part of the ongoing process of laicization mentioned above); it was also to the liking of the right that the party's central committee and congressional documents no longer referred to the abolition of capitalism even as a long-term objective and contained no sign of Marxist class analysis. On the other hand, Occhetto showed a willingness to adopt some of the views of the left led by Pietro Ingrao, e.g., support for new social movements like the ecology, women's and peace movements, members of which were placed on the party's list in the European parliamentary elections of 1989.[5]

Suddenly in November, 1989, Occhetto announced the need to "refound" the party, to give it a new direction and a new name. To what extent this decision was inspired by events in East Europe or was precipitated by them is hard to say. But Occhetto's decision represented a major break with the way in which "shifts" have occurred in the party's orientation. In the past, such changes were always presented as variations on a continuous theme, so that the party changed but always remained the same. Occhetto now proposed a wholesale facelifting and a new identity. The party's nineteenth national congress in Bologna in March, 1990, became a test of support for Occhetto's proposal.

Many of the congress resolutions followed a path that elicited little opposition; for example, the decision to seek entry to the Socialist International. But a large minority felt that the process of internal reform had gone too far, that the PCI should not be ashamed of its *diversità* (distinctiveness) vis-à-vis all the other political parties and that it was time to put a halt to changes threatening to denature the party. After all, it was the party's very *diversità,* with its ideals of an alternative society and a principled approach to politics, that made it the largest mass party in the West (over 1.5 million members) and ensured the commitment to countless hours of volunteer work on the part of its rank-and-file activists. Thus, Occhetto's proposal that the party enter a new "constituent phase" to refound and rename it elicited a strong opposition determined to "save" the party. A major portion of the center, previously supportive of Occhetto, deserted him. This faction, led by Occhetto's predecessor, Alessandro Natta, joined forces with the left wing of the party to form a solid bloc of opposition.

Occhetto, for his part, remained determined to push ahead with the metamorphosis of the party. He is convinced that the party can no longer remain "neither fish nor fowl," i.e., neither an old-fashioned Communist party nor a fully secularized social democratic party. The party should continue to be committed to reform of Italy's patronage-laden state and to a program of "strong reformism" in general. But only through a refounding and renaming can it hope to become a party of government. In the event, Occhetto's proposal to enter a constituent phase open to the entire left garnered two-thirds of the vote; but the majority supporting him was weighted more heavily in favor of the right wing of the party than had ever been the case before.

1990 ELECTIONS

The first electoral test of Occhetto's bold initiative came with the municipal and regional elections of May, 1990. The PCI's showing was hardly an endorsement of the new course: the party won 24 percent of the vote, down 6 percent compared with the previous local elections and its lowest level of support since 1958. The results had the effect of galvanizing and solidifying further the currents committed to "saving" the party, and they proceeded to organize an assembly of all their forces in June. Occhetto was given a very cool reception at the gathering, as he attempted to assure the bloc of "noes" that there would be room enough for all in the new "thing." But now, for the first time in postwar history, one cannot exclude the possibility of a major split in the PCI.

The elections of May, 1990, were noteworthy in another respect also. In an electoral system noted for its homeostasis, there was a significant shift away from the traditional parties (only the PSI gained) to new regional "leagues." The most prominent of these is the Lega Lombarda, which managed to win 20 percent of the vote in the prosperous northern region of Lombardy, making it the second largest party in that region. Similar regional parties surfaced in the northern regions of Piedmont, Liguria and the Veneto; together they polled enough votes to be regarded as the fourth largest political formation in the country. Combined with another drop in the rate of voter participation (down a further 5 percent to 42.4 percent for local elections), the elections have been generally interpreted as a sign of widespread discontent and exasperation with the political establishment.

The regional parties' program was often little more than the rallying cry "Lombardy for the Lombards," "Piedmont for the Piedmontese," and so on.

[5]For a good account of Occhetto's leadership, see G. Grant Amyot, "The PCI and Occhetto's New Course: The Italian Road to Reform," in R. Nanetti and R. Catanzaro, eds., *Italian Politics: A Review* (London: Pinter Publishers, 1990), volume 4.

The real message, however, was clear to all: *basta* with the parasitical central government, which drains off wealth from the industrious north but cannot furnish even the most elementary state services, like mail delivery and public health care. Much of this resentment toward Rome is fueled by a deep animosity toward southerners.

Although the Italian state was created by the Piedmontese House of Savoy, many northerners view it as a monumental southern boondoggle. They see it frittering away the taxes collected in the north, on the one hand, to fund unprofitable development schemes in the south and, on the other, to finance the myriad state sinecures (the research foundation Censis estimates there are 72,000 surplus posts).[6] A disproportionate number of these bureaucrats are southerners, and hostility is directed toward them and toward southerners who moved north to work in the factories. With the more recent influx of illegal immigrants from Africa (see below), there is ample fuel to generate campaigns for "ethnic purity."

GENERAL MALAISE

In another sense, the discontent expressed through support for know-nothing, racist political organizations is symptomatic of a more far-reaching malaise troubling many Italians. Indeed, one of the themes of the Censis end-of-the-decade report was that Italians may be richer than ever, but that they also suffer from a "sense of uncertainty and malaise," "anxiety over lack of fulfillment," an "ill-defined melancholy" and an "aggressive mournfulness."[7] Signs of this mood can be found in many places. The Censis authors note, for example, that Italians no longer sing — a world in which poor people sang to express spontaneous feelings has been replaced by a society in which rich people listen to noise that blares from electronic gadgets and spreads "artificially manufactured happiness."[8]

Another sign is the mood in such recent films as *Il nuovo Cinema Paradiso* and *Il prete bello* (The Handsome Priest), which express nostalgia for the social bonds and daily routines of the 1940's; or a film like Nanni Moretti's *La messa é finita* (The Mass is Over), suffused with a sense of the lost alternatives and possibilities of the 1970's. Other signs come from survey research: one study of life in Turin found that even the most privileged groups believe that a rise in the private standard of living is likely to be accompanied by a decline in the quality of public life; another found that nine out of ten employees complained about the lack of gratification in their work.[9]

Some of the malaise may be related to the grumbling characteristic of Italians as expressed in the adage, "we were better off when we were worse off." But few Italians would really want to bring back the "good old days" of poverty, fascism, wartime destruction and the unchecked oppression of the working class and of women. The regret is not for the "world we have lost," but for some other world (part old and part new) that never came into being, an alternative to the post-industrial, atomized consumer society Italy has in large measure become.

This alternative society, composed of an imaginary past and future, contrasts sharply with the reality of today's Italian society. For if it is true that Italians have never been richer in their private possessions, this private wealth is contradicted by the degraded conditions of community life. In short, it is not the lack of a decent home or of a car that troubles most Italians, but rather the social and political world that surrounds them. Some of these public institutions and social practices are longstanding, testimony to the incompleteness of Italian unification and to the stalled modernization of the Italian state. Other problems are more characteristic of an advanced market society and of the social marginalization that accompanies the dissolution of traditional social ties — problems like high rates of crime and drug addiction.[10]

The delivery of state services and the institutional reform of government are persistent problems. Today more and more Italians feel obliged to opt out of or supplement deficient public services through the use of private providers in areas like health care, education, pensions and mail delivery.[11] Italians' exasperation with state services is heightened by the fact that the state bureaucracy is padded with patronage workers whose commitment to their work is often half-hearted at best.

The bloated state payroll and the heritage of past bail-out operations to sustain bankrupt enterprises have saddled the Italian state with an enormous budgetary deficit. Its $100-billion deficit (1989) is 11 percent of the gross national product (GNP), or three times the United States deficit in relative terms. The problem threatens to become even more acute in 1992, when European banking integration will free up the movement of capital and force the state to pay higher interest rates to keep it in place.

Since more than two-thirds of the deficit results from unavoidable interest payments on the national

[6] Censis, op. cit., p. 164.

[7] Ibid., pp. 17 ff.

[8] Ibid., p. 15.

[9] Centro Studi Investimenti Sociali, *Torino: Città di Scambio: Sintesi delle ricerche* (Rome: Censis, 1987); and Censis, op. cit., p. 50.

[10] Crimes against property have more than tripled in the past 20 years. See ibid., p. 255.

[11] It takes an average of nine days for a letter from Reggio Calabria to reach Rome. Clyde Haberman, "For Italy's Entrepreneurs the Figures Are Bella," in *The New York Times,* July 16, 1989.

debt, significant cuts in state employment or increases in tax revenues are necessary to bridge the gap. Some very modest progress was made in the direction of streamlining state agencies with the Social Security Reform Act of 1989, which regroups separate pension programs under a single agency and differentiates the administration of social security from public assistance.

On the whole, however, postwar Italian governments have lacked the political will to tackle the patronage question and the widespread tax evasion (so massive that it is estimated to equal 75 percent of the deficit). Prime Minister Giulio Andreotti, the 71-year-old war-horse of the Christian Democratic party (DC), inaugurated his sixth government in July, 1989, with a pledge to eliminate the one-third of the budget deficit unrelated to interest payments, but few believe him.

The current coalition of five parties (the *pentapartito*) has been in power for ten years now, with little evidence of a will to change things. In the final analysis, the coalition's political bases of support have been too closely tied to groups that benefit directly from the status quo: the army of patronage workers and the small businessmen and professionals who pay little or no income tax.

INSTITUTIONAL REFORM

The same government coalition has made little progress in the other long-standing problem in public life: institutional reform. True, in 1988 the government succeeded in passing some reform legislation designed to enhance its own "governability": a law abolishing the secret ballot for most votes in Parliament, thus lessening the possibility of a government being brought down by "snipers" in its midst; and a law strengthening the authority of the Prime Minister vis-à-vis other ministers by creating expert committees directly accountable to him. The present government has also launched a reform of the judicial system that will bring it closer to Anglo-American procedures: an end to mass trials and protracted preventive custody and the introduction of plea bargaining.

Still, the Italian state is in need of other fundamental institutional reforms in order to establish a closer and more transparent relationship between the social forces of civil society and the state. The Italian political system remains a system in which the relationship between the executive and Parliament and the lines between the government and the opposition are very ill-defined (Italy is a so-called consociative democracy, in which the opposition participates in the administration of the state). Reforms in this area, however, presuppose the possibility of a genuine alternation in the holders of government power and an end to the "shared monopoly" on power enjoyed by the Christian Democratic party since 1945.

Another unrelenting problem in Italy is the division between north and south. The northern regional parties have pointed to the south and to southerners as the beneficiaries of the enlarged and inefficient public sector, as contractors, employees and recipients of assistance. Yet the south still lags behind the north, most notably in employment. The southern level of unemployment is close to 20 percent; the northern level is around 8 percent. When age and gender are included in the analysis, the disparities are even sharper. The unemployment rate for young southern women is 65 percent, while for adult northern men it is 2 percent.[12]

The family and the second economy absorb these unemployed young people and women in ways that retard the formation of a modern and individualistic labor market and society. Reported income also trails in the south; per capita income in Turin is nearly twice that in Palermo. These figures are indicators of a social and economic situation in which the north continues to be part of the advanced capitalist economy of northern Europe and the south continues to share some of the characteristics of the developing nations—high unemployment rates and associated pressures toward corruption in the public sector, recourse to illegal occupations and (for better or for worse) a persistence of familial and personalistic solidarities in place of the more individualistic and impersonal texture of northern life.

THE MAFIA

Historically associated with the differences between the north and the south is the power of the Mafia, an institution that jars sharply with the new image of Italy as a dynamic and advanced capitalist democracy. The Mafia challenges the modern state's claim to have a monopoly on the organized use of force. Indeed, the assassination of public officials known for their anti-Mafia views is still a common occurrence in the south.

Magistrates and criminologists are gradually shifting away from the prevailing model of the Mafia as a single unitary criminal organization with a definable pinnacle (*cupola*) that could be neatly cut off by the indictment and conviction of the top leadership. This model, which formed the working hypothesis of magistrate Giovanni Falcone and un-

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Larry Garner and **Roberta Garner** have written many articles about Italian politics and society, and both of them have lived and taught in Italy for a number of years.

[12]Ibid.

"Portugal's evolution from a dictatorship to a prospering democratic member of the [European] Community represents one of West Europe's most impressive success stories. Cavaco Silva deserves credit for tenaciously championing an Iberian version of perestroika, and his Indiana-size nation of 10.3 million people has proved a magnet for investors."

A Revitalized Portugal

By George W. Grayson
Professor of Government, College of William and Mary

An economic miracle sparked by Portugal's entry into the European Community (EC) has impelled political pluralism and democracy in a country that—even after the 1974 overthrow of a dictatorship—was afflicted by authoritarian leaders and economic malaise. Once as drab and threadbare as an East European capital, Lisbon now boasts late-model cars, smartly dressed shoppers, throngs of free-spending Spanish tourists and ubiquitous construction cranes. It remains to be seen whether the Portuguese electorate will reward Prime Minister Aníbal Cavaco Silva and his Social Democratic party (PSD) for their stewardship of this economic boom or will turn to the Socialist party (PS) for fresh leadership and a more equitable distribution of the national income, whose continued robust growth is imperiled by mounting inflation.

EC membership has revitalized Portugal, once a West European backwater. In the face of tough competition from Spain and Ireland, Lisbon has offered cash grants and other incentives to prospective investors who consider Portugal not only as a burgeoning market but as a beachhead for exports to the thriving 12-member Community. The most recent inducement, approved in March, 1990, permits negotiating undefined tax exemptions for foreign and domestic investments above $71.5 million. These tax holidays for entrepreneurs who previously faced a 40 percent corporate tax rate have expanded the scope and flexibility of incentive packages, which already embrace EC grants for industrial investment and training. Such enticements have raised the annual level of foreign investment from $156 million in 1986 to $1.3 billion in 1989—with the 1990 inflow expected to be even larger.[1]

Buttressing these fiscal incentives are political stability, the vitality of Portugal's domestic market and a highly regarded labor force that earns West Europe's lowest wages and launches the fewest private sector strikes. In addition, foreign businessmen cite intangible factors. As one Tokyo executive expressed it: "The Portuguese share an important characteristic with the Japanese. More than any other Europeans I have encountered, they possess a very strong will to grow."[2] During the 1980's, the United Kingdom, Portugal's oldest ally, provided 23.1 percent of external investment—followed by the United States (12.6 percent), France (11.4 percent), Spain (10.9 percent), Switzerland (6.1 percent), Brazil (4.5 percent), and Japan (1.0 percent).

As a rule, these investors favored manufacturing, a sector that stimulates exports, enhances technological sophistication and promotes industrial diversification. In 1989, however, manufacturing attracted only 28 percent of foreign funds—with services (particularly, tourism, real estate and financial operations) accounting for 45 percent of the total.

More worrisome to Portuguese officials than the investor shift from industry to services is the possibility that their country will lose capital to the nascent market economies of East Europe. After all, these nations enjoy higher educational levels, a more developed technology base, proximity to north European consumers and—in the case of East Germany—a powerful financial and political commitment from the Bonn government as the two Germanys unite.

Lisbon policymakers downplay the so-called "threat from the East." To begin with, they regard the East-bloc Comecon (Council for Mutual Economic Cooperation) states as potential importers of Portuguese goods rather than as competitors for investment dollars, especially because of the risk of political and economic upheaval that besets the region. "You have to remember," said former Finance Minister Ernâni Lopes, "that the fashionable site for foreign investment 15 years ago was China."[3] In addition, Portugal offers investors a capitalist tradi-

[1]These and the following figures embrace capital transfers that appear in balance of payments accounts; the Portuguese Foreign Trade Institute reports even higher amounts—$175 million in 1986, $2.53 billion in 1989—based on actual and agreed-on investment, even if the funds have not been disbursed. See "European Finance and Investment: Portugal," supplement to the *Financial Times,* April 30, 1990, p. 2.

[2]Ibid.

[3]Ibid.

tion, a maturing banking system, a plethora of thriving companies and Community membership.

To keep the funds rolling in from abroad, the Portuguese Foreign Trade Institute (ICEP) has supplied potential investors with competitive proposals, fast responses, flexible conditions and assistance in traversing a bureaucratic maze once renowned for delays, drift and frustrations. ICEP concentrates its attention and resources on Volkswagen, Ford, General Motors, Texas Instruments and other multinational corporations in the hope that their factories will serve as a magnet for small and medium-size supplier firms.

Portugal is an important beneficiary of the EC Aid Program, designed to uplift the economic and social conditions in relatively poor countries in quest of a community of equals. In 1989, Portugal received $1.5 million, and the amount is expected to approach $1.6 million in 1990. This assistance derives from three funds: Regional Development ($730,000), Social ($450,000) and Agricultural Guidance and Guarantee ($330,000).

DOMESTIC ECONOMY

A medley of factors—surging investment, mounting domestic demand and accelerating exports—have fostered four years of sustained economic growth. In 1989, Portugal's gross domestic product (GDP) expanded 5.4 percent, with sturdy but somewhat slower growth projected for 1990. Industries have operated at record levels of capacity, while unemployment has fallen below 5 percent, making Portugal the envy of West Europe, where the average is 8 percent. Meanwhile, sales abroad shot up 26 percent in 1989 as the gradual devaluation of the escudo kept foreign demand high for Portuguese textiles, shoes, wood, cork, paper, leather goods and wine.

Still, the dark lining of inflation spoils this otherwise silver economic cloud. The combination of unprecedented capital inflows, rising incomes and heightened expectations has led to ballooning consumption, which—in turn—has stimulated higher prices. Exacerbating the situation are persistent budget deficits (7 percent of GDP) and a soaring public debt (70 percent of GDP). Through mid-1990, prices increased at an annual rate of 13.1 percent, up from 12.6 percent in 1989, and three points above the government target. Finance Minister Miguel Beleza attributes the upsurge to one-time factors like the flooding in late 1989 that destroyed vegetable crops, increases in administratively set prices, and the deregulation of car insurance and other charges. An outspoken advocate of budgetary discipline, Beleza has tried to slow public sector spending; in fact, credit restrictions have been his chief weapon in combatting inflation.

Complicating this approach is the massive influx of capital, and Prime Minister Cavaco Silva may have to pursue a multiyear accord between labor and the business community to restrain wages and prices.[4] In early 1990, business and labor leaders failed to agree on overall wage guidelines in high-level meetings held under the auspices of the Permanent Council for Social Cooperation. Private sector employers were prepared to grant higher real salaries in exchange for greater "flexibility on work rules." In the opinion of labor spokesmen, this term represents a euphemism for the ability to hire and fire at will.

Union leaders also look askance at a government-labor-business social solidarity pact. They have seen labor's share of GDP fall to 40 percent, while the state's social spending has dipped from 34.2 percent of the national budget in 1989 to 33.7 percent in 1990. The Communist General Confederation of Portuguese Workers-National Inter-Trade Union Organization (CGTP-IN) and the Socialist General Workers Union (UGT) have jointly criticized the government's "antisocial policy." The secretaries general of these confederations met in mid-1990 to explore a collaborative strategy to improve purchasing power, social benefits and job security for their 2.4 million members, who have the lowest purchasing power of any workforce in West Europe.[5]

Portugal's inflation rate, double the EC average, has dissuaded Cavaco Silva from seeking his nation's admission to the European Monetary Union before the December 31, 1992, deadline for entry. This organization requires stable exchange rates among its members, and Lisbon fears that yielding control over the escudo's value vis-à-vis other currencies could threaten the country's export and growth levels on the eve of national elections. "Portugal categorically rejects any solution that entails the danger of a dilution of national identity," stated Cavaco Silva, an avid admirer of British Prime Minister Margaret Thatcher.[6] While occasionally bashing the "bureaucrats in Brussels" for domestic political reasons, the Portuguese Prime Minister is extremely attentive to EC directives and realizes that monetary integration is inevitable.

Rising domestic prices sharpened demand for imports in 1989, and Portugal purchased $6.5 billion more goods from abroad than it exported. Earnings from tourists and remittances from the

[4]U.S. Department of Commerce, International Trade Administration, *Foreign Economic Trends and Their Implications for the United States: Portugal* (Washington, D.C.: U.S. Department of Commerce, 1990), p. 6.

[5]In the absence of rigorous registration records, the 1.2 million members claimed by both the UGT and the CGTP-IN appear as blue-sky figures.

[6]*Diário de Notícias,* June 28, 1990, p. 32.

four million expatriate Portuguese helped to decrease the current account deficit to $550 million. This amount was easily offset by capital inflows that have elevated foreign reserves to a total of more than $18 billion.

Mounting inflation has not deterred Beleza from deepening the government's determination to divest itself of many firms nationalized in the mid-1970's. In fact, he believes that transferring ownership to the private sector will raise productivity, shrink the state share, generate badly needed revenues and reduce the long-term expenditures that would be required if public ownership were preserved. Reflecting Cavaco Silva's desire to avoid mistakes and learn about a complicated process, Beleza's administration moved cautiously to accomplish privatization in the 1987–1989 period.

The pace quickened in 1990, when the National Assembly approved the sale of 100 percent of the shares of publicly owned enterprises (formerly, the state had to retain 51 percent of all shares). Under the more flexible law, the government disposed of its equity in a shipping corporation, a cement firm, two breweries and two insurance companies. In the next few years, Finance Minister Beleza plans to return to private hands the six largest insurers, which generate almost 60 percent of all premiums. There are other candidates for privatization in sectors as diverse as banking, transportation, tourism, steel, communications, chemicals and paper. One or two private television stations will be licensed to complement the two existing public television stations.

Robust external demand for shares in privatized firms has fanned fears that "the country is being put up for sale." To allay this concern, Cavaco Silva has reiterated his intention to create a strong core of domestic shareholders to keep financial institutions and other key interests under indigenous control. He has promised that the state will assist Portuguese citizens in acquiring shares; the state will also retain stock in selected corporations and adjust the foreign ownership ceiling on a case-by-case basis.

THE POLITICAL PICTURE

Politics will doubtless shape the contours of economic policy as the Prime Minister attempts to retain his post after the 1991 National Assembly contests. His Social Democrats won an unprecedented legislative majority in 1987 because many voters resonated to Cavaco Silva's image as an incorruptible, austere leader who was prepared to resist special interest pressures while bringing order to a political system beset by conflict and deadlock. Other Portuguese were unenthusiastic about the then-48-year-old economics professor, but supported him because of the need to reform the nation's hugely inefficient statist economy. Budget deficits and inflationary pressures notwithstanding, Cavaco Silva has brought Portugal the most impressive economic growth in its modern history and has strengthened Portugal's once-fragile democratic institutions.

Despite Cavaco Silva's accomplishments, his Social Democratic party lost ground in the July, 1989, elections for the European parliament and finished second to the Socialists in the December, 1989, municipal contests. The PS captured 32.16 percent of the votes cast, compared with 31.58 percent for the Social Democrats, 12.74 percent for the Communist party (PCP) and 9.1 percent for the Christian Democrats (Center Democratic party, CDS).[7] What explains this setback? And what does it portend for the 1991 legislative and presidential balloting?

First, the public correctly perceived Cavaco Silva as saturnine, inflexible and self-confident to a fault. While prizing these characteristics in 1987 when strong medicine was required, many people now regard them as inappropriate because the threat of disorder has abated, privatization has advanced and the economy is expanding. Still, in a late April, 1990, survey, 46.8 percent of the respondents reported a "favorable" image of the Prime Minister, 18.4 percent were neutral and 23.6 percent held an unfavorable view.[8] Yet Cavaco Silva runs ahead of his own party in terms of public approval and behind Socialist leader Jorge Sampaio.[9]

Second, although the economy has boomed in recent years, the fruits of growth have not been distributed equally. Blue-collar workers are unhappy, as indicated in the statements emanating from both the UGT and CGTP-IN headquarters. The feeling of being "left out" or "neglected" has prompted some middle class supporters of Cavaco Silva and the PSD to switch their allegiance to the Socialists. The PS's national secretariat reports that disgruntled lawyers, teachers and civil servants are showing up at their meetings. Doctors, judges and military personnel have also expressed hostility toward Cavaco Silva's policies. In 1985, less than half the 41,000 members who registered with the PS had completed more than three years of school; of the 18,000 who signed up in 1989, at least one-third had attended high school.[10] Anxious to attract new followers, the

[7]These percentages portray the performance of party candidates running alone. In Lisbon and other municipalities, various coalitions were spawned. When these alliances are considered, the PS percentage rises to 36.65 and that of the PSD to 34.97. I am indebted to Portugal's embassy in Washington, D.C., for supplying this data.

[8]*Diário de Notícias,* May 10, 1990, p. 2.

[9]*Expresso,* May 26, 1990, p. A2.

[10]*Tal & Qual,* May 4, 1990, p. 5.

PS has gravitated to the center of the political spectrum, and it differs with the PSD more over the speed of reform than its substance.

Third, the responsibilities of governing have diverted Cavaco Silva and other PSD activists who hold high government posts from minding the party's store. Their failure to keep the party machinery oiled at the grass roots contrasts with the actions of the Socialists, who have effectively organized at the local level, thanks to the leadership of Jorge Lacão. To remedy this problem and to prepare for the 1991 elections, Cavaco Silva has delegated many of his party duties to the five deputy chairmen elected at the PSD's last congress.[11] In January, 1990, he reshuffled his Cabinet, removing (among others) the health secretary, whose ministry had been plagued by scandals. He has also tried to convey a kinder and gentler image by replacing his security chief, who had restrained crowds attracted to the Prime Minister's public appearances.

Finally, the PS benefitted from the candidacy of Sampaio, the party's secretary general, who successfully sought the mayorship of Lisbon. A man of principle who defended political prisoners during the dictatorship, Sampaio proved an appealing candidate who unified the Socialists for the first time since Mário Soares had turned in his party card to serve as "President of all Portuguese." In the final analysis, Sampaio's victory sprang from a "For Lisbon" coalition that he forged with the Communists. Secretary general Alvaro Cunhal and other PCP leaders urged their militants to vote Socialist in the capital; this signaled to Communist voters in Setubal, Evora and elsewhere that they, too, could support PS candidates. Sampaio's national image will depend, in part, on how he handles the problems of pollution, traffic congestion and housing shortages about which Lisbon residents fiercely complain.

Two additional points about the 1989 municipal elections should be clarified. First, many voters cast their ballots for local reasons: potholes, drainage, traffic signs, garbage collection and the personality of the candidates seeking office. For those citizens who considered the national ramifications of their votes, the December elections sent a message to Lisbon: namely, they could warn officials of their discontent over inflation, foreign investment, pollution and other concerns without capsizing Cavaco Silva's administration. While a barometer of public sentiment, local elections yield a different kind of voting behavior than the behavior in national contests, when different issues are important and the stakes are higher.

In the absence of some unforeseen event, neither the Socialists nor the Social Democrats will win a plurality of the 230 Assembly seats. In contrast, Soares, the darling of the Socialist party, should capture at least two-thirds of the vote to spend another five years in the Belem presidential palace. By far the nation's most popular politician, Soares became the first civilian chief executive in 61 years when he won the presidency in 1986.[12] His prestige arises from his courageous opposition to both the protracted right-wing dictatorship that collapsed in 1974 and the leftist radicals who vied for power in the postrevolutionary period. Besides fighting steadfastly for democracy in Portugal, he labored tirelessly to bring his country into the European Community. Moreover, in 1983 the then-Prime Minister Soares imposed austerity measures that laid the groundwork for the economic recovery directed by Cavaco Silva. The PSD has decided not to oppose the 66-year-old statesman whose only announced challenger in mid-1990 was Francisco António Lucas Pires, a young Christian Democrat who serves in the European parliament.

As the Social Democrats and the Socialists prepare to do battle in the parliamentary campaign, the Communists face the continued erosion of their electoral base. Compared with the PSD and the PS, the Communist party's rank and file is older, less well-educated, and employed in agriculture and rust-belt industries. These traits make the Communists marginal in the country's increasingly modern manufacturing- and service-oriented economy. Financial distress has forced the PCP to suspend publication of two of its four magazines (*Economia* and *Mulheres/Magazine*). It has also liquidated assets that include real estate and a data processing firm and, reportedly, has requested aid from Libya to replace sharply reduced assistance from Moscow.[13] Soviet President Mikhail Gorbachev views with disdain the party secretary general, Cunhal; Cunhal regards perestroika and glasnost as the political equivalent of chewing glass shards.

The changes sweeping East Europe enjoy support from José Luis Judas, Luis Sá, Vitor Dias, Manuel Gusmão and other "Fourth Way"[14] reform-

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[11]*Expresso,* May 5, 1990, p. A1.

[12]Respondents in greater Lisbon and Porto gave Soares a 72.7 percent favorable rating in a late April, 1990, poll; see *Diário de Notícias,* May 10, 1990, p. 2.

[13]*Semanario,* May 12, 1990, p. 12.

[14]For a detailed analysis of the several intraparty factions, see Carlos Gaspar, "Portuguese Communism since 1976: Limited Decline," *Problems of Communism,* vol. 39, no. 1 (January-February, 1990), pp. 58–63.

George W. Grayson has made three research trips to Portugal in preparing articles for *Orbis, Current History,* and the *Washington Post.* His latest book is *Prospects for Democracy in Mexico* (New Brunswick, N.J.: Transaction Publishers, 1990).

"Turkey is embarking on a new decade in which relations with the European Community, NATO, the United States, and its neighbors will be governed by a new set of political and economic circumstances. For now, there appears little danger that the country will revert to the political chaos of the 1970's."

Turkey in the Age of Glasnost

By James Brown
Professor of Political Science, Southern Methodist University

Iraq's stunning invasion of Kuwait on August 2, 1990, was a watershed event that affected the core relations between Turkey and the North Atlantic Treaty Organization (NATO), Europe and the United States. This invasion and the subsequent events in the Persian Gulf have underscored the importance of Turkey, a European nation that shares borders with Iraq, Syria and Iran, as well as the Soviet Union.

Situated on the periphery of the "Atlantic to the Urals"—its special geographic position—Turkey's foothold in southeastern Europe is connected to the bulk of Turkey's land mass in Anatolia by the strategic Turkish Straits. Turkey is located on the southern rim of the Soviet Union and on the northern fringes of the Middle East. This location assigns Ankara a unique position strategically, politically and economically.

To the west, Ankara is observing the superpowers and Europe moving in directions that were unthinkable two years ago. On its southeastern border, Iraq has fomented a new and alarming crisis. As the dominant forces and relationships of the international arena are caught up in a process of profound change, Turkey must examine the assumptions and equations of its foreign and national security policies.

Ankara's foreign policy in the post-World War II period has displayed remarkable continuity, enthusiastically forging links with the West while still inescapably linked to the Soviet Union. Turkey, however, remains wary of Moscow in light of centuries of hostility and warfare, a common frontier that is the longest of any NATO member, and Moscow's undiminished ambition to control the Bosporus and the Dardenelles. Early in 1945, the Soviet Union reasserted its historic expansionist aims against Turkey. Coupled with the British retreat from the eastern Mediterranean region, this Soviet action gave birth to the alliance between Ankara and Washington, as outlined by the Truman Doctrine in 1947. Turkey's ties to the West were further strengthened when Ankara sent troops to fight in the Korean War in 1950 and joined NATO in 1952. On a psychological level, Ankara's inclusion in the Marshall Plan for European recovery (1947) and, subsequently, its recognition as a member of NATO reassured Turkey's leaders that Turkey had at last been accepted by the West.

Nonetheless, Vice Admiral Guven Erkaya of the Turkish General Staff noted recently that while Europe was moving to disarm, Turkey still had its long border with the Soviet Union and hostile neighbors to the south. Glasnost and perestroika, Erkaya declared, provoked hard questions about Turkey's NATO role. Anticommunism, the historic basis for Ankara's place in the Alliance, was eroding and Europe was resisting Turkey's attempts to integrate its economy with those of the European Community (EC). "If Europe excludes Turkey from its moves toward political, economic and military integration under the twin umbrellas of the Western European Union (WEU) and the EC," Erkaya asked, "how will Turkey's security be maintained? Is it in the global interests of the West for Turkey to be gradually pulled into regional crises and disputes?"[1] It now appears that President Turgut Ozal has decided to take sides.

The focus of this shifting East-West relationship in political, economic and military terms in Europe suggests that Ankara continues to define its ties to the West, specifically to NATO, primarily in relation to the Soviet Union and to the Middle East. This pro-Western orientation in the post-World War II period has been the expression of a much larger Turkish vision. It is a complex, unambivalent yearning to take a recognized place in the West, a culmination of the process of Westernization set in motion in 1923 by Kemal Ataturk, the founder of the Turkish Republic.[2]

Continuity of foreign policy survived the intense political controversies that shaped Turkish domes-

[1] *Cumhuriyet,* May 29, 1989, p. 3.

[2] Duygu B. Sezer, "Turkey's Security Policy: Challenges of Adaptation in the Post-INF Era," *RUSI Journal* (Winter, 1989), pp. 47–48.

tic politics during the 1970's. It was a given that details of policy would be shaped by career officials, and this view persists. Within this framework, Turkey's leaders have tried to reconcile the apparent contradictions between the country's geographic position and its heritage.

This has meant an improvement in relations with the Soviet Union. Relations with the Soviet Union were the cornerstone of Ataturk's foreign policy, and Moscow consistently reminds Ankara of this fact. Turkey is wary of the Soviet Union, even in the age of glasnost. However, the amount of diplomatic traffic between Turkey and the Soviet Union since 1989 is a sure sign of the times; there has been much talk in both capitals of the "model" state of relations between the two countries.[3] This is evidenced by the many visits by economic delegations (some of them representing individual Soviet republics), the opening of several border gates for local commerce and the fact that Turkish contractors have undertaken construction projects worth approximately $250 million in the Soviet Union.[4] In 1989, total trade between Turkey and the Soviet Union increased by some $574 million over 1988, and this upward trend is forecast for the next several years.[5] There are reports that former President Kenan Evren and President Ozal have urged the government to consider legalizing the Communist party in light of recent events in the Soviet Union.[6]

Further evidence of Ankara's desire to appease Moscow is the muted protest made to the Soviet Union in a show of solidarity with Azerbaijan. Although many Azeris, Shiite Muslims, feel closer to Iran than to Turkey, the Turk-in-the-street has come to view the Azeris as his kin, or even as his compatriots. Foreign Minister Ali Bozer voiced this view when he stated that Turkic communities in the Caucasus Mountains and in Central Asia "shared values, customs and traditions with the Turk that lives in Anatolia."[7]

The evolutionary process currently under way in the Soviet Union erodes the suspicions that have permeated and dictated Turkish relations with its northern neighbor since the 1940's. Accordingly, Turkish assessment could perceive a qualitatively different Soviet Union, provided that the momentum of change is sustained by Moscow for several more years. This eventual phase in the restoration of Turkish-Soviet friendship is reminiscent of the period of mutual trust and cooperation that existed between the two new young states in the 1920's and 1930's, but this time it will be under completely different domestic and international circumstances.[8]

With this blossoming of Turkish-Soviet relations, there has been transformation in East Europe as seen most concretely in the changes under way in Bulgaria. In 1989, some 300,000 ethnic Turks left Bulgaria to escape Bulgarian President Todor Zhivkov's regime of persecution. Relations between Ankara and Sofia reached an all-time low. The fact that a search for a new basis for dialogue began immediately after Zhivkov's fall in November, 1989, was indicative of the realization that both countries had to seek rapprochement. The most recent elections held in Bulgaria (June, 1990) further normalized relations with Ankara because the ethnic Turks were able to organize their own political party (Movement of Rights and Freedoms) and ultimately won 23 of the 400 seats in the Bulgarian Parliament. In the past, a major obstacle to normalization of Turco-Bulgarian relations has been the plight of the Turkish minority. With their rights restored and the improved prospects of friendly relations between Ankara and Sofia, the only country in the region that is directly affected by these events is Greece, which would like to enhance its relations with Bulgaria at Turkey's expense.

RELATIONS WITH GREECE

For at least 15 years, relations between Greece and Turkey could have been described as being in a state of defensive confrontation over the Aegean Sea and Cyprus. In 1974, Turkey invaded Cyprus after many years of uneasy power sharing between the Greek majority and the Turkish minority there. By 1985, the rhetoric and strained relations had reached such intensity that Athens declared a new defensive doctrine. In March, 1987, an incident in the Aegean Sea over exploration rights brought the impasse to a flashpoint and prompted NATO to appeal to both nations "to avoid recourse to force at all costs." The crisis so disturbed the two countries' leaders, Turgut Ozal and Greek Prime Minister Andreas Papandreou, that it set in motion a process of reconciliation known as the "Davos Spirit."[9] This process lessened the immediate tensions but did little to deal with the underlying suspicion and mistrust.

The "Davos Spirit" began to show signs of breaking down in 1989. First came Turkey's unilateral enlargement of those areas of the Aegean, Mediterranean and Black seas over which it claims jurisdiction for search and rescue purposes. This became a sore point for Athens, and in March, 1989, Greece

[3]Foreign Broadcast Information Service, *West Europe Daily Report* (cited as FBIS), May 9, 1990, p. 30. It is anticipated that Soviet Prime Minister Nikolai Ryzhkov and two Soviet ministers will visit Turkey in the fall of 1990.

[4]FBIS, March 7, 1990, p. 28.

[5]*Briefing* (Ankara), no. 793, June 25, 1990.

[6]FBIS, March 14, 1990, p. 28.

[7]*Milliyet,* March 29, 1990, p. 11.

[8]Sezer, op. cit., p. 54.

[9]James Brown, *Delicately Poised Allies* (London: Brassey's Defence Publishers Limited, 1990), p. 33.

responded in kind. At about the same time, Greece voiced its insistence that the port of Mersin be included as part of the area covered in the Conventional Forces in Europe (CFE) negotiations. By virtue of its geographic location, Mersin is essentially a Middle Eastern rather than a European port, but it is a particularly sensitive issue for Athens because of its close proximity to Cyprus. Mersin is the port from which operations and support for the Turkish troops on Cyprus are primarily conducted. Although the United States and NATO assured Turkey that members of the Alliance understood that Mersin would be part of the area excluded from the CFE discussions, Greece continues to hold its reserved position by not acceding to this premise. A further issue that casts a shadow over Ankara-Athens relations involves the Turkish minority in northern Greece. Magnified tensions between the Greek and minority Turkish communities over political rights have led to several clashes, with injuries sustained on both sides.

In June, 1989, Papandreou and his Panhellenic Socialist Movement (PASOK) party were defeated. One of the principal supporters of the "Davos Spirit" was removed. This election was followed by two subsequent elections in an attempt to form majority governments. It was not until April, 1990, that the New Democracy party (ND), led by Constantine Mitsotakis, won by forming a coalition government with a minor party, the Democratic Renewal, giving Mitsotakis 151 parliamentary seats out of 300.

Although it is premature to evaluate Mitsotakis's policy toward Turkey, it is reasonable to assume that the slim majority held by the ND party will not permit Athens to undertake any bold initiatives toward normalizing relations with Ankara. Mitsotakis has indicated that a new dialogue should be initiated with Turkey, but that the "Cyprus question [is] an unabandonable condition for placing these relations on firm ground."[10] The resolution of this gnawing issue under the auspices of United Nations Secretary General Javier Pérez de Cuéllar has so far failed to yield any success, and any prospect of a Cyprus breakthrough looks bleak. Mitsotakis has also indicated that Greece will veto Turkey's application for full membership in the EC "unless the Cyprus issue is resolved."[11] Such preconditions for normalizing relations with Ankara will most likely flounder.

As indicated earlier, relations with the United States have been the cornerstone of Turkey's foreign policy since the late 1940's. Thereafter, Turkish and American strategic analysts agreed that Turkey and Greece formed an indispensible barrier to Soviet expansionism on the southeastern flank of NATO. During the 1960's this close relationship began to show signs of strain, and in the 1970's the tensions were exacerbated.[12] As it turned out, the biggest shadow over United States-Turkish relations was cast by Cyprus, specifically, the Turkish invasion of Cyprus in 1974 and the subsequent arms embargo by the United States (which was finally lifted in 1978). Faith in the United States as a dependable ally was burdened by an extra psychological dimension, which makes itself felt today in the relations between Ankara and Washington.

Although the Cyprus issue may be the most salient problem that Turkey faces, two factors further complicate Turkey's relations with Greece and have an indirect impact on its relations with the United States and NATO, namely the Aegean Sea and the right to explore for minerals, specifically for oil, and the right to control the aerospace over the Aegean.[13]

From the strategic perspective, Ankara has consistently ranked among the top five recipients of United States military aid. From the Truman Doctrine of the late 1940's to the doctrines of Presidents Jimmy Carter and Ronald Reagan, Turkey has been part of every strategic doctrine devised by Washington from the 1940's on. But sharp cuts in United States military assistance (some 28 percent, from $738.9 million to $526.5 million) beginning in 1988 have added new strains to this bilateral relationship. Further affecting the military assistance provided by Washington to Ankara is the 7:10 ratio mandated by the United States Congress for security assistance to Greece and Turkey.[14] In spite of all this, military relations with the United States have not yet been damaged by cuts in aid. During his June, 1987, visit to Washington, President Evren invited the United States to use a new Turkish naval base in the Mediterranean (Akzac Karaagac) to service the Sixth Fleet, and the modernization of United States and NATO intelligence facilities in Turkey are currently being implemented.

Another recent difficulty that complicated relations with Washington was a resolution* introduced in the United States Senate proposing to make

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*SR 212, introduced on September 29, 1989, by Senator Robert Dole (R., Kansas).

[10]FBIS, June 4, 1990, p. 24.

[11]Ibid.

[12]In the mid-1960's, United States President Lyndon B. Johnson sent a letter to Turkish Prime Minister Ismet Inonu suggesting that Washington might not come to Turkey's aid in the event of a Soviet attack. For details of President Johnson's letter and President Inonu's reply, see *Middle East Journal* (Summer, 1966), pp. 386–393.

[13]For details see James Brown, "Turkey's Policy in Flux," *Current History,* January, 1982, p. 29.

[14]In the first post-embargo year, 1978, both Greece and Turkey received about $175 million in military aid. The next year, the ratio of aid ($148 million to Greece, $208 million to Turkey) was close to 7:10. This ratio has informally remained in effect by means of congressionally imposed cuts in Turkey's aid since 1980.

April 24 a "day of remembrance" in the United States for the victims of Armenian genocide. This resolution was defeated, but subsequently (in April, 1990), President George Bush's statement voicing sympathy for the Armenians and attributing the massacre to the Ottoman Empire once again jeopardized relations with Ankara.[15] Turkey fears that President Bush's statement might serve as a precedent for further Armenian claims, including demands for a formal acknowledgment of Turkish responsibility for the massive loss of life, reparations, and even the revision of Turkey's eastern border.

Another issue that has affected bilateral relations concerns the forthcoming negotiations on the renewal of the Defense and Economic Cooperation Agreement (DECA), which now permits a United States military presence in Turkey and which is due to expire in December, 1990. As matters stand, it is not at all clear what position Ankara will adopt. Nevertheless, the chances are excellent that DECA will be renewed, inasmuch as President Ozal has always wanted to maintain close relations with the United States and the West.

With its six United States bases and sizable NATO assets, Turkey is a logical jumping-off point for United States airpower against Iraq. The crisis in the Persian Gulf is a demonstration of Western resolve in a so-called "out-of-area" problem and emphasizes the strategic importance of Turkey for NATO.

In an unprecedented move, President Ozal gave the United States permission to operate F-16 fighters and F-111 bombers out of Turkish bases, if such a move should become necessary in a conflict with Iraq. In exchange, Washington has promised Ankara it will not be isolated militarily or economically if hostilities occur. In particular, the United States is considering ways to support Turkey through economic aid to help compensate for the approximate $400 million Turkey will lose annually as a result of closing down the two Iraqi oil pipelines that stretch some 800 miles from Kirkuk, Iraq, to Turkish Mediterranean ports. In total, it is estimated that Ankara could lose some $3 billion by severing relations with Iraq.

Ankara is also counting on an increased American market to offset reduced American aid. Joint ventures with American corporations for arms assembly and production have required General Dynamics, General Electric, Ford Motor Corporation and other firms to invest in civilian ventures as well.

EUROPEAN COMMUNITY

A major blow befell Turkey in February, 1990, when the European Community declined to open negotiations concerning Turkey's admission. Ankara had formally applied for full membership in April, 1987, but the formidable economic problems involved in admitting a large agricultural country to the mainly industrialized EC (of which Turkey would be the most populous member) are still being debated. The Community is already having problems absorbing Greece, Portugal and Spain, three relatively less affluent and more agriculturally oriented Mediterranean countries. Ankara's stance on human rights is also troublesome for some EC members. Several other reasons, sub rosa, block Turkey's membership in EC, reasons largely prejudicial in nature and based on social, cultural and religious biases. If admitted to the Community, Turkey would be the only Muslim member. The Ottoman Empire has long been viewed negatively, especially because of its ancient expansion as far as the gates of Vienna, and because of the more recent arrivals, the *Gastarbeiters* (guest workers) in West Europe, who have not been successfully assimilated into these societies.

The Dublin summit of the EC in June, 1990, linked the Community's relations with Turkey to progress on a political settlement between the Turkish and Greek communities in Cyprus for the first time. This action was quickly followed by the announcement that the Republic of Cyprus was applying for full membership in the EC.

No doubt, this action by Cyprus internationalizes the Cypriot dispute beyond Greece and Turkey and the efforts of United Nations Secretary General Pérez de Cuéllar, and it might perhaps serve as a catalyst for negotiations and ultimately for a settlement. This is propitious timing and places the Turkish application for membership in the EC alongside that of the Republic of Cyprus.

These and other applications to the Community were not to be considered until after 1993, with perhaps no positive answer forthcoming from the EC before the end of the century. The best that Ankara could have hoped for then was an interim arrangement that would sharply restrict the movement of workers from Turkey while allowing greater access to European markets. But because of the accelerating events in the Persian Gulf and Ankara's willingness to assist its European allies, Washington has written a letter to the EC urging Turkey's acceptance into this organization.

Notwithstanding Ankara's strategic role in NATO, its geographic proximity to the oil-rich and politically fragmented Middle East has presented Turkey with tangible and intangible advantages and risks. Cultural affinity with the regional countries has operated as a source of strength in many ways.[16] Its domestic stability and social and

[15]FBIS, April 20, 1990, p. 25.
[16]Sezer, op. cit., p. 48.

economic modernization mark Turkey as the most developed and Westernized country in the region, with the exception of Israel. But this characterization has not always been matched by positive political perceptions. Turkey's commitment to Westernization and secularism have aroused resentment and suspicion.

Approximately a decade ago Ankara undertook a concerted effort to expand its ties with the Middle East. Until the present Persian Gulf crisis, two principles have guided Turkey's policies in this area. First, Turkey refrained from taking sides in local disputes, a policy that was meticulously followed during the Iran-Iraq war. The other ruling principle required that Turkey's cooperation with the West, especially in the area of defense, did not damage the security interests of Arab states.

Prime Minister Ozal placed special emphasis on trade, viewing Turkey's neighbors as prime markets for its goods and services. Turkey's trade with its Arab neighbors in 1989 amounted to about $3 billion, less than trade in 1988, but 21 percent of Turkey's total trade.[17] The main Turkish import is oil, while most exports are agricultural and chemical products and mechanical equipment. Overall, trade with all the Arab countries is on a downward path, reflecting the situation in the Persian Gulf.

Turkey's relations with Iran, Iraq and Syria—its immediate neighbors—are strained. In the case of Iraq's use of force against Kuwait, Ankara supported the United Nations' sanctions against Baghdad and also permitted United States military forces to use its territory. This marked a major shift for Turkey, which has always been reluctant to risk antagonizing its southeastern neighbors by taking pro-Western stances against an Islamic country. President Ozal signaled his country's dilemma in response to Iraq's aggressive actions by asserting that although Turkey has important political and economic ties with the West, its Islamic heritage links it to the Arab world.[18] This very fundamental shift in Ankara's policy now affects the long-term military balance in the region, and finally and fully places Turkey in the ranks of the West.

In the case of Iran, two issues prevail. First, explicit Iranian activities supporting religious fundamentalists in Turkey, especially in the universities, began to threaten Turkey's institutions with accelerating intensity in the late 1980's. This issue is very sensitive for Ankara.[19] It is anathema to Ataturkism, which mandates a complete separation of religion from political life. Iranian involvement is therefore viewed with alarm and disdain.[20] The other issue of comparable concern to Ankara (an issue that also affects Turkey's relations with Iraq and Syria) is the Kurdish insurgency in southeastern Turkey.[21] This is the home of Turkey's largest minority, the Kurds, who number between 8 million and 10 million.

Kurdish unrest in southeastern Turkey is by no means a recent development. Since the early nineteenth century, this region has experienced periodic uprisings and other forms of Kurdish resistance. The present phase of violence began in August, 1984, and has combined several features of modern guerrilla warfare not heretofore utilized in Turkey.[22] Today's insurgents are waging a tactically astute, hit-and-run campaign in the rural, sparsely populated countryside. They are benefiting from substantial foreign training and materials and are supported and abetted by crossborder safe havens in western Iran, northern Iraq, Syria and the Syrian-controlled Bekaa Valley.

Although most Kurdish peasants are loyal to Ankara, they have resisted assimilation because of their traditional orientation and tribal communal structure. A small minority belong to the militant Workers party of Kurdistan (PKK), which emerged in the late 1960's; this group's goal is the establishment of an independent Kurdish state.

Ankara has developed a series of short- and long-term measures to curtail the violence. For the short term, a new post of regional governor was created in July, 1987, in the hope of coordinating the efforts of the security forces in this area by making them more responsive to the insurgency.[23] With almost every possible legal authority granted to the regional governor, Ankara's war against the PKK has apparently been unable to curtail the insurgency.[24]

The long-term economic development programs

(Continued on page 392)

[17] *Briefing,* no. 793, pp. 25-26.

[18] *Washington Post,* August 8, 1990, p. 30.

[19] Several individuals have been assassinated in the last year because they were proponents of secularism. The latest of these was Professor Muammer Aksoy. For details on religious fundamentalism in Turkey, see *The Middle East,* no. 185 (March, 1990), pp. 6-8.

[20] Brown, *Delicately Poised Allies,* p. 45.

[21] Eight provinces still remain under a state of emergency: Bingol, Diyarbaker, Elazig, Hakkari, Mardin, Siirt, Tunceli and Van.

[22] Since 1984, a total of 1,771 individuals have been killed in this conflict. See *Briefing,* no. 792, June 18, 1990, pp. 3-6.

[23] In April, 1990, in an emergency Cabinet meeting, draconian measures were adopted. The regional governor can now relocate troublesome Kurdish villagers to safe areas.

[24] *Briefing,* no. 792, p. 3.

James Brown is a fellow of the International Institute for Strategic Studies (London) and has served as special assistant to the deputy undersecretary of defense for planning and resources at the Department of Defense. He is the author of *Delicately Poised Allies* (London: Brassey's Defense Publishers Limited, 1990).

WORLD DOCUMENTS

Accord on Germany and NATO

On July 17, 1990, in Zheleznovodsk, U.S.S.R., West German Chancellor Helmut Kohl and Soviet President Mikhail Gorbachev reached an agreement on the membership of a unified Germany in the North Atlantic Treaty Organization (NATO). Excerpts from their news conference and the accord follow, as transcribed and translated by The New York Times.

STATEMENT BY KOHL

. . . President Gorbachev and I have agreed that we have to face this historic challenge and that we have to try to be worthy of it. And we understand this task out of a special duty of our own generation, which consciously saw and witnessed the war and its consequences, and which has the great, maybe unique, chance to durably create the future of our Continent and our countries peacefully, securely and freely.

It is clear to President Gorbachev and to me that German-Soviet relations have a central significance for the future of our peoples and for the fate of Europe.

We want to express this and have agreed to conclude an all-encompassing bilateral treaty immediately after unification, which shall organize our relations durably and in good-neighborliness. This treaty shall encompass all areas of the relations: political relations as well as questions of mutual security, economy, culture, science and technology, youth exchange and many things more.

THE ACCORD

Today I can state the following with satisfaction and in agreement with President Gorbachev:

The unification of Germany encompasses the Federal Republic [West Germany], the G.D.R. [German Democratic Republic, East Germany] and Berlin.

When unification is brought about, all the rights and responsibilities of the Four Powers will end. With that, the unified Germany, at the point of its unification, receives its full and unrestricted sovereignty.

The unified Germany may, in exercising its unrestricted sovereignty, decide freely and by itself which alliance it wants to be a member of. This complies with the C.S.C.E. [Conference on Security and Cooperation in Europe] Final Act. I have declared as the opinion of the West German Government that the unified Germany wants to be a member of the Atlantic Alliance, and I am certain that this also complies with the opinion of the Government of the G.D.R.

The unified Germany concludes a bilateral treaty with the Soviet Union for the organization of the troop withdrawal from the G.D.R., which shall be ended within three to four years. At the same time, a transition treaty about the consequences of the introduction of the Deutsche mark in the G.D.R. for this time period of three to four years shall be concluded with the Soviet Union.

As long as Soviet troops remain stationed on the territory of the G.D.R., NATO structures will not be expanded to this part of Germany. The immediate realization of Articles 5 and 6 of the NATO treaty will stay untouched by this from the start. Non-integrated troops of the West German Army, which means troops of territorial defense, may be stationed on the territory of today's G.D.R. and in Berlin immediately after unification. For the duration of the presence of Soviet troops on former G.D.R. territory the troops of the three Western Powers shall, in our opinion, stay in Berlin. The Federal Government will ask the Western Powers for that and will arrange the stationing with the respective governments.

The Federal Government declares its willingness to give a binding declaration in the current Vienna talks to reduce the army of a unified Germany within three to four years to a personnel strength of 370,000. The reduction shall start when the first Vienna agreement comes into effect.

A unified Germany will refrain from producing, holding or commanding atomic, biological and chemical weapons and will remain a member of the Non-Proliferation Treaty.

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STATEMENT BY GORBACHEV

. . . Chancellor Kohl has said a great deal about the great work we have done together, the work and the visit that I see as so important.

I want to give some concrete evaluations of some questions. First of all, I think that the work about such important and difficult points that we did does not only touch our two peoples, but all Europeans, and that it also touches the world public. . . .

We could work so fruitfully because, most of all, in the course of the past years we went our way [sic]. Our relations are already marked by a very high level of dialogue, and the meetings on highest levels, the telephone calls, the mutual visits have contributed to this intensive dialogue.

• • •

We have expected that there will be . . . changes, for example in the area of NATO. The Warsaw Pact has already, as you know, changed its doctrine at its last session. That was a challenge, a call to change the structures of the blocs, from military blocs to more political ones.

We have received a very important impulse from the conference in London, NATO's most recent conference, which brought very important positive steps, which were also understood as such by the socialist countries and other European countries.

• • •

If the . . . step of London had not been made, then it would have been difficult to make headway at our meeting. I want to characterize the two last days with a German expression: we made realpolitik. We have taken as a basis today's reality, the significance for Europe and the world.

• • •

We have reached agreement over the fact that the NATO structure is not going to be expanded to the territory of the former G.D.R. And if on the basis of our agreement the Soviet troops will be withdrawn in a time frame of, let us say, three to four years, then we take it that after this time period this territory will also be part of a Germany that has full sovereignty. We take it that no other foreign troops appear there; here we have trust and are aware of the responsibility of this step.

Mr. Chancellor, it was you most of all who developed this idea at this meeting. We cannot talk yet about a unified Germany, it is still only an idea, but an idea that I welcome. . . . ■

BRITISH POLITICS

(Continued from page 364)

nomic and political functions, especially in the areas of education, finance, housing, land use and essential social services, and to reallocate these functions to appointed boards or to the market have diminished the prospects of Labour coming to power nationally on the basis of an alternative economic and political program. To a considerable degree, local economic and political infrastructure that supported collectivist politics during the postwar period and that helped Labour dominate national politics in Britain between 1964 and 1979 has all but disappeared.

Perhaps the most important change in local-national government relations during the past decade is the incremental usurpation by the central government of the powers of local authorities to tax and to set expenditure. As a result of the abolition by Conservative governments of the domestic rates, introduction of a regressive poll tax and a centrally determined business rate, and the establishment of annual ceilings on local poll tax charges and the size of local authority budgets, local government in Britain has been transformed into a virtual agent of central government and made dependent on it for approximately 80 percent of local funding.[16]

This constitutional change in central-local government relations has had a negative impact on the Labour party in at least two ways. First, the severe restrictions on local government's expenditure penalize primarily the large, big-spending, urban councils that, not coincidentally, are predominantly Labour-controlled.[17] Fiscal constraints imposed from above prevent these local authorities from providing the breadth and depth of social services that Labour voters traditionally expect from their party. The result is an incremental erosion in the incentive among Labour-inclined voters to support Labour or to participate in local elections. Second, by stripping local government of much of its traditional economic and political authority, the last three Conservative governments have made local politics less relevant and, hence, a less effective arena for mobilizing either pro-Labour or anti-Conservative sentiment. Insofar as pro-Labour activism and political opposition to the Conservative party have been strongest since the mid-1970's at the local level, the decline of local politics in Britain has undermined an important political base for Labour.[18]

The considerable advance of the conservative project's political goals since 1979, indeed, has undercut both the ability of the Labour party to win general elections and, if and when the party does assume office, to implement a coherent economic and political program that significantly deviates from the record of the previous three Conservative governments. Recognizing this reality, the leaders of the Labour party have recently adopted comprehensive policy changes in the electoral platform of the party that all but formally abandon the Labour party's historic promise to establish socialism in Britain.

If the party continues on its present course and does not resume its habitual slide toward disunity and internal policy disputes, Labour's metamorphosis can and probably will yield electoral success eventually. However, in the short term, the Labour party finds itself uncomfortably suspended between past and future. It is too recently Socialist for many British voters yet not very different in any important sense from a Conservative party that over the past 11 years has shaped the economic and political environment to its own electoral advantage.

CHANGE IN EAST EUROPE

Like politics elsewhere, British party politics is continuously being influenced by external events and trends. Apart from the influence of the 1992 project and the EC's ongoing drive toward greater economic and political integration, perhaps the most salient external events shaping the trajectory of British politics in the post-collectivist era are the political liberalization of East Europe and the associated decline of cold war tensions. The ultimate impact of these events is not yet fully apparent. However, for the present, they appear to be exerting conflicting pressures on British politics.

On the one hand, political liberalization in the formerly Communist polities of East Europe and the apparent victory of the West in the cold war legitimize the ideological premises of the political and economic goals of the conservative project in Britain.[19] With its preference for market over collectivist policies, its celebration of individual over class or corporate interests and its rejection of socialism in favor of economic liberalism and political and social conservatism, the conservative project is, and is probably seen by most of the British electorate to be, fundamentally compatible with the desirable changes taking place in East Europe and elsewhere in the postwar Communist world. As such, the direction of change in East Europe works to the political advantage of the Conservative party,

[16]Ibid.

[17]*The Economist,* April 7, 1990, pp. 65–66.

[18]R.J. Johnson et al., *A Nation Dividing? The Electoral Map of Great Britain 1979–1987* (London: Longman, 1988), pp. 327–328.

[19]For a concise account of the economic goals of the Conservative project, see Paulette Kurzer, "A Decade of Thatcherism: The Debate on the Left," *Comparative Political Studies,* vol. 23, no. 2 (July, 1990), pp. 257–277.

which, in recent months, has initiated a public relations campaign to assume partial credit for the liberalization in East Europe and to emphasize Thatcher's good personal relations with Soviet President Mikhail Gorbachev.[20]

On the other hand, liberalization in East Europe and the end of the cold war politically benefit the Labour party in two ways. First, these events diminish the salience of defense and security issues in domestic British politics. This outcome is advantageous to Labour because the party has been judged historically by the British electorate as less competent than the Conservatives to defend Britain against external aggression, less willing to use nuclear weapons in a military conflict and less committed to maintaining adequate armed forces and defense expenditures. In particular, Labour's periodic advocacy since the late 1950's of British unilateral nuclear disarmament and its loose association with the Campaign for Nuclear Disarmament have unambiguously cost the party votes. Confusion and disunity within the party on defense issues especially undermined Labour's electoral efforts in the general election campaigns of 1983 and 1987.[21] The partial removal of these issues from public political debate allows Labour to avoid them and gives the party greater opportunity to influence the political agenda to its electoral advantage.

Second, the eclipse of Socialist politics in East Europe discredits, perhaps unfairly, socialism everywhere, including domestic British socialism. In so doing, it strengthens the political hand of the group of Labour party leaders who are currently attempting to realign their ideologically heterogeneous party around pragmatic and nonsocialist policies. The most important implication of this outcome is that it enhances the prospects for enduring cohesion within the Labour party, which has often been penalized by British voters—especially during the 1980's—for being internally divided. Greater cohesion within the Labour party improves, however modestly, its electoral position vis-à-vis the Conservative party, which is becoming increasingly fragmented over the economic and political future of Europe. ■

[20] *The Economist,* June 2, 1990, pp. 63-64.

[21] David Butler and Dennis Kavanagh, *The British General Election of 1987* (London: Macmillan Press, 1988), pp. 103-105.

FRANCE

(Continued from page 368)

enough is being done to promote the interests of the left's traditional electorate. But economic indicators show high growth, very low inflation, a strong franc and improvement in both employment and the trade deficit. France has become a basically modern society; it approaches 1992 with a growing sense of confidence.

With general agreement on the basics and with most of society more attuned to consumerism than ideology, the political debate between the center-right Union pour la Démocratie Française (UDF) and the Gaullist Rassemblement pour la République (RPR), on the one hand, and the Socialists on the other, has virtually dried up. So party politics has been mostly posturing in view of future elections (parliamentary by 1993, presidential in 1995) too far away to interest most of the French. Only party militants and political junkies concern themselves with the rivalries between the parties and the internal struggles within them. But the prospect that real ideological issues might no longer divide the French has been set back by the rise and persistent appeal of Jean-Marie Le Pen's Front National (FN).

There was nothing surprising in the rise of the Front National. Extremist right movements often go from latency to activity when the left comes to power or when economic conditions decline. Both occurred in 1981. The Front has the characteristics of the many antisystem protest movements of the far right that have cropped up over the past century. It is racist and xenophobic. Its nationalism is not based on an inclusive Jacobin ideal but on an exclusionary message of "France for the French."

Its values and leadership style are both authoritarian. It is antiparliamentary and thrives on political scandals, like the recent amnesty of those involved in dubious campaign financing. Although anti-Semitism may be counterproductive to a broad electoral appeal, it is intrinsic to the intellectual tradition of the extreme right and is embodied in the Front's leadership. Yet it was anti-Semitism rather than anti-Arab sentiment that provoked the strongest reaction against the Front at the time of the desecration of the historic Jewish cemetery of Carpentras on May 10, 1990.

The Front's basic message, however, is anti-immigrant, in particular, anti-Arab immigrant. Immigrants are blamed for France's current woes, especially for unemployment and crime. The Front takes advantage of the perception that Arab immigrants are not willing to assimilate. Each manifestation of Islamic fundamentalism abroad (the Rushdie affair, the victory of fundamentalists in the Algerian municipal elections) or Muslim ethnocentricity in France (the affair of the head scarves) is grist for its mill.†

The most striking thing about the FN is not that

†In 1989, Iranian Muslim fundamentalists issued a death threat against Salman Rushdie for publishing a novel they considered blasphemous; the same year, Muslim schoolgirls in France insisted on wearing head scarves in accordance with religious proscriptions, but in contravention of school dress codes.

it came into existence, but that unlike so many movements of the extreme right, it has survived so long. Improved economic conditions have not undercut its popularity. How can we account for that? First, while all three major parties seem decidedly proestablishment and technocratic and the Parti Communiste Français (PCF) is moribund, only the Front National seems willing to take strong ideological positions.

Second, it has a receptive audience of "forgotten men" who have been or see themselves as victims of France's modernization, not just temporarily affected by the economic cycle. Many of these people live in proximity to Arab immigrants and compete with them for jobs, services and education. To the extent that Le Pen's clientele consider themselves victims of the "system," actions taken by that system to prosecute Le Pen seem like persecution.

Third, Le Pen is charismatic and entertaining, and most of his mainstream political opponents are not. Fourth, the Front National is much better organized than previous protest movements. Finally, the FN is the only party bluntly opposing Europe in the name of the traditional concept of the nation. Because the Front National's clientele is by its very nature circumscribed, the movement does not constitute a genuine threat to the political system. In fact, it is the exception that proves the rule of the end of ideology.

But if the FN does not constitute a threat to the political system, it does constitute a threat to the traditional right. The left, although it may well deplore the impact of the Front on the higher level of principle, has been its political beneficiary. The FN puts the RPR and the UDF on the horns of an intractable dilemma: if the right cooperates with the FN, it will be tarred with extremism; if it stalwartly opposes the FN, it loses votes on the right and perpetuates the FN's existence.

Such a situation divides each of the rightist parties over philosophy, strategy and tactics. It leads to a variety of prescriptions, including talk of unity or confederation. In June, 1990, the UDF and the RPR created a Union for France, which will presumably hold an indirect presidential primary in 1995. Since the parties of the right tend to be vehicles for the personal ambition of their leaders (who blame each other for losing the last two presidential elections), nothing is more divisive to the right than plans for unity. Whether current plans for right-wing unity survive the next parliamentary, let alone presidential, elections remains to be seen. In the meantime, thanks to the FN, the Socialists can govern with minority electoral support. The danger to the Socialists is that the FN will actually succeed in unifying the traditional right; the danger to the nation is that the FN will promote serious social and political instability and undermine the Republic. Neither seems very likely.

The FN has forced its agenda on the political world. The government has made it clear that France will not accept new immigrants (it has not been doing so for some time) and will act more stringently to keep illegal aliens out. It will also do more to promote the integration of existing immigrants into French society and to fight racism. Especially since the Carpentras incident, the government has tried to take the high road, holding an all-parties roundtable to hammer out a common policy. The opposition attended, but refused to cooperate further. Admittedly, taking the high road can be good politics.

If the Socialists can tar the right with being soft on radical right extremism, the traditional right, on the other hand, can hardly accuse the PS of being soft on communism, for French communism is in a state of putrescent decay. For those who still remember the French Communist party of the 1960's, stubbornly defying the capitalist world and being rewarded with nearly one-fourth of the votes for doing so, it it hard to understand how dramatically the PCF decomposed.

The decline of its major constituencies—especially the industrial working class—was certainly a factor. But even more important was the disintegration of the myth that the PCF was the party of the revolution (before the very word "revolution" lost its luster). The party leadership failed to follow the Italian Communist party (PCI) in loyally adopting Eurocommunism; it maintained Stalinist controls against an increasingly restive membership.

The decline of its mystique as a revolutionary party began in 1968, when it clearly worked to sabotage the May revolution. In 1978, it betrayed the left's hope for a Socialist-Communist electoral victory. It would have done likewise in 1981, but its tepid endorsement of Mitterrand on the second ballot did not deter Communist voters from rallying to Mitterrand. By preaching the solidarity of the left, Mitterrand walked off with a large part of the Communist electorate and held on to this sector. Since that time, the PCF has paid for secretary general Georges Marchais's tortuous tactics, but Marchais continues to hold the tiller of this modern-day raft of the Medusa.

With the decline of the PCF, the PS has been liberated from a half-century of Communist demagoguery. It has the opportunity to become the governing party of France. Its main problem is that it lacks a distinctive ideology and program, because much of its historic orientation was swept away after the failure of the Socialist programs of 1981–1983. It has not been exempt from the in-fighting that has plagued the right. The party congress at

Rennes in March, 1990, saw, not the traditional confrontation of ideas and ideologies, but a naked and premature struggle for control over the party organization by former Prime Minister Laurent Fabius and Minister of Education Lionel Jospin, who were planning the next presidential elections.

The spectacle was embarrassing to the party and damaging to the protagonists; its real beneficiaries may have been Prime Minister Rocard and Jacques Delors, president of the European Commission, who stayed conspicuously out of the fray. Interestingly enough, a recent poll of business executives shows Delors and Rocard to be their preferred Socialist presidential candidates in 1993, with the liberal mayor of Lyons, Michel Noir, at the top of the list on the right.

In a recent article, sociologist Alain Touraine argued persuasively that the old left-right cleavages in French politics based on socioeconomic and class differences are being replaced by a new distinction between those struggling to defend the national ideal and the nation-state, and those who want France to adapt to a new European and international reality, in which the nation-state will be less important. The French left and right are both divided on this question. Touraine concludes:

> It seems logical that one day or another the Socialists and liberals, who both belong to the party of movement, will join together, while a great party of the right will be formed, organized around the defense of national identity and capable of absorbing most of the electorate of the National Front.[1]

As France becomes part of a new European reality and as a new generation takes over French political life, this vision becomes increasingly persuasive. ■

[1]Alain Touraine, "Identité, la question nationale et la politique française," *Le Monde,* March 13, 1990.

ITALY

(Continued from page 372)

derpinned the "maxi-trial" of 122 indicted mafiosi, suffered a practical defeat when 82 of the defendants, including the presumed "boss of bosses" (*capo dei capi*) Michele Greco, were acquitted in the spring of 1989. The old theoretical model has given way to a view of the Mafia not as a unitary organization but as a pattern of behavior and a way of doing business that pervades southern Italian society. It is characterized by a multiplicity of groups, the use of violence as a sanction, reliance on family ties and other personal relationships as a means of establishing trust, the interpenetration of legal and illegal markets, a norm of silence (*omertà*) vis-à-vis outsiders and close connections with the state and the local political system.[13] This more sociologically sophisticated model of the Mafia (and its counterparts in Calabria and Naples, the *śdrangheta* and *camorra*) points to the need for a far more complex anti-Mafia strategy than police investigations and trials of bosses.

Mafia organizations will cease to play a role in Italian life only when the institutions of society—especially public institutions—are reformed and come to operate according to more universal and less violent norms. The PCI and growing sectors of the Roman Catholic hierarchy have begun to call for such renewal, often at considerable personal risk. With the formation of the Leoluca Orlando administration of Palermo in 1987, it became clear that a progressive wing of the Christian Democrats was also prepared to work toward removing the Mafia "from the face of public institutions."[14] But such a transmutation of values and reform of institutions promise to be very slow and gradual. In the meantime, Mafia-type organizations control drug trafficking in the north of Italy and the smuggling of illegal migrants from Africa and Asia—activities whose impact is by no means confined to the south. Incidents like the November, 1989, murder of the aunt, mother and sister of a government witness suggest that police work can make only slow progress against the firmly entrenched criminal organizations.

Among the novel causes of uneasiness in Italy are the new forms of mass culture brought on by a rapid transformation of the role and organization of the Italian media. An American pattern of media privatization, commercialization and concentration replaced the postwar pattern of politically committed (often party-affiliated) print media and a government monopoly of electronic media. The 1976 Constitutional Court ruling that ended the government monopoly of television broadcasting represented a quantum leap toward these new forms, in which there are "virtually no rules for private television at all."[15]

A number of media giants emerged, the most gigantic being Silvio Berlusconi's media empire that includes newspapers; Pubitalia, which owns one-third of the Italian advertising market; the Mondadori publishing enterprise, which owns 16 dailies, 35 magazines and 2,000 annual book titles; interests in French, West German and Spanish media; and a 38 percent audience share of Italian television viewing garnered by its three channels. The government's RAI television networks can claim only 43.5 percent.[16] Berlusconi's channels broad-

[13]Filippo Sabetti, "The Mafia and the Anti-Mafia: Moments in the Struggle for Justice and Self-Governance in Sicily," in Nanetti and Catanzaro, op. cit.

[14]Ibid., p. 190.

[15]"Burlesque Only," *The Economist,* October 14, 1989, p. 80.

[16]Ibid., p. 80.

cast about six times as many seconds of commercials as the RAI channels and offer the viewers a steady diet of light entertainment, sports and American imports. Along with new practices in the print media like newspaper lotteries and the reporting of unsystematic poll results as news, they are part of the growing climate of privatization and consumerism.[17] Although the move to control Mondadori in 1990 precipitated a strike by Italian journalists to protest the concentration of the media, the government has so far shown little interest in the issue.

The media are not the only form of escapism available. In recent years, drug use has soared. Although the rate of use may be leveling off, the number of drug-related deaths continues to increase. Particularly troubling is the association of AIDS (Acquired Immune Deficiency Syndrome) with heroin use; two-thirds of Italian AIDS deaths are among intravenous-drug users, and Italy has the second largest number of total cases of AIDS (after France) in Europe. Drug use is particularly chronic in Milan, where the ground is daily littered with thousands of hazardous used hypodermic needles.

Environmental pollution is not an entirely new problem. What is new, however, is both an accelerating volume of waste and a growing awareness of the problem. A century of industrialization in the Po Valley, a more rapid pace of economic activity throughout Italy after World War II, a population that has grown in size and affluence and a lax government posture toward environmental degradation have finally brought on a crisis situation that has many symptoms. Among these symptoms are localized environmental disasters, like the polluted and untreated state of Milan's water supply, singled out in a World Health Organization report; the failure of many Italian beaches to meet European Community (EC) standards; the air quality in large cities; poisonous industrial and agricultural runoff in the Po Valley that threatens the entire tourist zone of the Adriatic littoral; and much higher levels of pesticide use than are permitted in other European nations. The growing number of work-related accidents, occupational illnesses and work-related fatalities is also an indicator of weak regulation and poor inspection and enforcement.[18]

The list could be continued almost indefinitely. The general environmental problems of developed societies have been compounded by the laxity of regulation and the tendency to permit or wink at private abuses of existing regulations. According to survey data, Italians see pollution as Italy's second most serious problem, and 35 percent of the Italians surveyed say the situation is so bad they are willing to contribute a share of their income to environmental protection.[19] Whether these vague attitudes can be translated into tough and enforced regulatory measures remains to be seen; the failure of the recent referendum on hunting and pesticide use (an effort to bring Italian regulations in these areas up to EC standards) is not a hopeful sign. Perhaps nothing short of the imposition of European standards after 1992 will initiate effective action on environmental and occupational health and safety problems.

RACISM

Immigration and the consequent upsurge in racism constitute new problems for Italians. Historically, Italy was an exporter of people, first to the United States, Argentina and Australia and, more recently, to West Germany as well. Italy's new affluence has dramatically turned the tide. As a wealthy nation with a low birthrate and a native population reluctant to take menial jobs, Italy has become a magnet for migrants from Africa and Asia, especially from Tunisia, Senegal, Morocco, the Horn of Africa and the Philippines. Currently, there are at least 500,000 legal and 1 million illegal immigrants in Italy, who work primarily in agriculture, street vending, domestic service and manufacturing. In agriculture and manufacturing they hold the most dangerous and lowest-paid jobs, and few are covered by the pension and health insurance systems or by labor legislation and health and safety regulations.

Efforts at controlling the influx have not been very effective. Italy has no visa requirements for entry; there are 2,000 miles of largely unpatrolled coastline available for illegal landings; the system of work and residence permits is hopelessly ensnarled in red tape; outmoded recording methods cannot keep up with the influx; and Mafia-type organizations are engaged in bringing in immigrants for street vending and agricultural labor, especially for agro-industry in the region of Naples. The government declared an amnesty for all those who entered by December 31, 1989, and who reported themselves by June 30, 1990. The law grants social rights and welfare benefits to non-EC residents as an incentive to declare their presence and legalize their status. So far, few (less than 200,000) have declared their presence and asked for amnesty. In April, 1990, the government approved the use of naval patrols to intervene against illegal landings.

There is concern in the other European nations that once there is free movement throughout the EC, Italy will serve as a port of entry for an influx of illegal immigrants from Asia and Africa. The Italian government would prefer to see uniform European immigration laws, to avoid unilateral action

[17]Censis, op. cit., p. 201.
[18]Ibid., p. 117.
[19]Ibid., p. 54.

that might alienate its African and Asian trading partners; but it may be forced to institute visa requirements in the near future.

Immigration has also affected the political parties, contributing to the success of regional parties. On the other hand, the parties that are seen as "soft" on immigration—the Christian Democrats and the Communists—have lost support over this issue. Italians have long prided themselves on being less racist (and less anti-Semitic) than other nationalities. This tolerance and open-heartedness is being put to the test, and a number of violent incidents attest to a changed climate of opinion. In August, 1989, Jerry Essen, a young South African tomato picker, was murdered by Italian youths in the countryside near Naples. The incident was followed by other murders and assaults in 1989 and the spring of 1990, reflecting not only the hostility of Italians to the immigrants, but also the dependence of many immigrants on criminal organizations that exploit and brutalize them in illegal occupations like prostitution and drug-dealing.

The issues are not likely to be resolved in the near future, as long as the overwhelming demographic and economic disparities between Europe and the developing nations grow, fueling the movement of desperate job-seekers, and as long as Italy fails to regulate and control immigration.

In the last decade of the twentieth century, Italy is beset by complex and contradictory trends. Private affluence continues to surge, but both old and new problems contribute to a degradation of public life and the social and natural environment. Privatization as a political strategy and a cultural movement creates new issues, even as it appears to solve the problem of a bloated and inefficient state. Efforts to reform institutions rather than merely to privatize them are emerging, but as yet without sufficient strength to solve the problems. ■

REUNITED GERMANY

(Continued from page 360)

Italy all have populations around 55 million). Its trillion-dollar economy will make up about 35 percent of the gross national product (GNP) of the European Community (EC). While it may not be a superpower, given its limited military capabilities, it (along with Japan and the United States) will be one of the three key global economic centers. Clearly, its perspective will change.

This raises questions about the role Germany will play in Europe. Will a unified Germany remain a cooperative partner in the European enterprise or will it become a hegemonic power with revanchist pretensions in the east? Will the price of unification be the end of the Atlantic Alliance and a Europe without a defense force to counteract residual or even resurgent Soviet pressure? Will the Germans form an economic and political partnership with the Soviet Union, creating a Central European Co-Prosperity Sphere?[10] Or is what is happening in Germany a precursor of a new type of political and security system that will replace the balance of power that has characterized European security since the rise of the nation-state?

ECONOMIC POWER

It seems probable that Germany will be a trading state rather than a military power and will base its influence on the economic dimensions of power. As a trading state that depends on exports, Germany will have strong incentives to work in an interdependent manner with its trading partners and will continue to be sensitive to their views and interests. A strong emphasis on military power would set off counter-alliances and confront Germany once again with its old problem of encirclement by hostile powers.

In addition to these broad considerations, the new Germany will operate under external constraints. These constraints were accepted in the "Two plus Four" talks between the two Germanys and the four Allied powers of World War II (Great Britain, France, the United States and the Soviet Union), consultations within the North Atlantic Treaty Organization (NATO) and the important Soviet-German agreement reached by Chancellor Kohl and Soviet President Mikhail Gorbachev in the Caucasus Mountains in July, 1990.

Soviet forces will be removed from East Germany by the end of 1994 at the latest, and Allied forces in West Germany will probably be dramatically reduced as well and combined into multinational corps. German forces (the Bundeswehr) will not exceed 370,000 men (the combined total of East and West German forces at the beginning of 1990 was about 600,000) and Germany will remain a non-nuclear power.

The result of these negotiations will mean that the new Germany will remain a member of NATO but that NATO will become "kinder and gentler" in its force structure and strategy. NATO forces are not likely to be deployed on the territory of the former East Germany, and the alliance has begun restructuring its nuclear and conventional doctrine in order to reduce its reliance on the threatened first use of nuclear weapons.

Germany will play an important role in assisting the Soviet Union in its economic restructuring. Before unification, the two Germanys were the Soviet Union's largest trading partners, and the new Germany will not only expand this relationship

[10]A.M. Rosenthal, "Nobody Tells the Truth," *The New York Times*, May 2, 1989.

but will also provide substantial credits and other payments to the Soviet Union.

The new Germany will also have a new geography. It will no longer be a front-line state with little strategic depth. The Inner-German Border (IGB) will vanish and the new defense line will move 200 kilometers east from the Elbe to the Oder-Neisse line and 1,000 kilometers to the western border of the Soviet Union. The new Germany will have a greater strategic depth than the old Federal Republic. The thin waist of 225 kilometers will now be expanded to 600 kilometers (as measured to the Oder-Neisse). In West Germany, about one-third of the population and the industrial base was within 100 kilometers of the IGB. This will be greatly reduced, because East Germany is not so densely populated nor so industrialized as the eastern part of West Germany.

This new geography, combined with the removal of Soviet forces 1,000 kilometers eastward, will make the new state less dependent on its NATO allies for defense. It will no longer require large numbers of foreign forces on its territory, nor will it rely on a doctrine that emphasizes early use of nuclear weapons.

All this will add up to a new structure of political, economic and security relations in Europe. While NATO will continue to exist and the Warsaw Pact will probably disappear, the Germans will increasingly emphasize cooperative security over deterrence and will look to European institutions like the EC and the Conference on Security and Cooperation in Europe (CSCE) as the primary pillars of a new European architecture. They will certainly try to make the CSCE more than the series of floating conversations it is currently, by giving it a bureaucracy and headquarters and strengthening its role in confidence building and collective security.[11]

German unification, plus the eventual withdrawal of Soviet forces from Central Europe, will dramatically change the strategic culture of a unified Germany and the calculus for the new Bundeswehr. Key elements of continuity will remain. The Soviet Union is likely to remain the most important potential military threat to Germany. In addition, a Western alliance will continue to be required both to reassure Germany's neighbors and to provide for the element of deterrence that Germany, a non-nuclear state, will not be able to provide for itself.

Yet the future of nuclear deterrence could become a contentious issue between Germany and its nuclear allies, the United States, Great Britain and France. In the new Germany, antinuclear pressures will probably increase from a population that is unlikely to see a credible threat to justify the deployment of nuclear weapons under foreign control and that will be increasingly sensitive to environmental concerns. The Social Democrats, the Greens and the Free Democrats will continue to press for a Germany without nuclear weapons on its soil. If this leads to a withdrawal of all United States forces because of an American unwillingness to station troops without nuclear weapons, then Germany will face a crisis in its security policy.

A NEW GERMANY AND A NEW EUROPE

With these key questions in mind, the future of European security and of Germany's role in it provides grounds for optimism. German unification is likely to be a stabilizing factor in the new Europe for a number of reasons.

First, the experience of two world wars has left a deep impression on the collective memories of all Europeans, especially the Germans. The existence of nuclear weapons and the destructiveness of even a conventional war with modern technology in a densely populated urbanized environment is likely to reinforce the new strategic culture and to continue to deter the use of military force in Europe. War as a realistic option of state policy in Europe seems anachronistic to most Europeans.

Second, the development of the EC offers a successful working structure for a post-national Europe. It has already made the thought of war between its members almost obsolete. The role of the new Germany within the EC, while creating many new questions and problems, is likely to be very positive. West Europe will probably remain the major market for German exports. Chancellor Kohl has continued to press for a deepening of the EC toward monetary and political union and has seen reunification as an impetus rather than a hindrance to the building of a more unified Europe. He and future German leaders will press to strengthen the EC and to widen it to include Central Europe, at first by means of associate membership and then, perhaps by the end of the decade, by full membership. Unlike the post-Versailles era, the Germans will have a constructive leadership role in the new Europe.

Third, Germany is a stable democracy in a democratic Europe. The foreign and defense policies of

[11]The shape of this package emerged from a series of discussions that took place between the key international and domestic actors over the first half of 1990. A good short summary of the key elements can be found in Thomas L. Friedman, "U.S. Will Press the Soviets To Accept Plan on Germany," *The New York Times*, June 5, 1990. See also Friedman, "NATO May Offer Moscow Specific Limit for Future German Army," *The New York Times*, June 23, 1990; "Text of the Declaration after the NATO Talks," *The New York Times*, July 7, 1990 (for excerpts, see *Current History*, October, 1990); and "Excerpts from Kohl-Gorbachev News Conference," *The New York Times*, July 17, 1990 (for excerpts, see "World Documents" on page 382 in this issue).

democracies toward other democracies rely on diplomatic and political negotiations rather than aggression. The German militarism of the first half of this century would have been controlled by an effective democracy. The democratic record of West Germany and of the Bundeswehr has been impressive. In this sense, the two German Questions with regard to democracy and security have both been solved to the benefit of Germans and all Europeans. ■

PORTUGAL

(Continued from page 376)

ers in the PCP. To avoid a clash between the party's orthodox and its renovation wings, Cunhal reluctantly endorsed Carlos Carvalhas as deputy secretary general and his probable successor. Even though he is a hardliner, the 48-year-old Carvalhas speaks well, appears intelligent and projects a more moderate image than most party stalwarts. "Whereas Cunhal is a cassette, always intoning the same slogans, Carvalhas is a video—predictable but more attractive," according to one Socialist youth leader.[15] Carvalhas grew up in a wealthy family, holds a degree in economics from the University of Lisbon, has served on the Lisbon Municipal Council and represents Portugal as a deputy in the European parliament. The PCP may nominate Carvalhas for President to broaden his national exposure. The party would probably withdraw his candidacy before election day to prevent a crushing defeat by Mario Soares, whom the Communists despise.

The PCP's declining fortunes will find its less fervent members defecting to the Socialist camp—with the "For Lisbon" alliance providing the bridge for this exodus. UGT leader José Manuel Torres Couto has even proposed that the CGTP-IN merge with his confederation. While retaining a hard-core one-tenth of the electorate, the PCP will increasingly become a regional party that is focused in Lisbon's industrial zones, the Alentejo farm belt, the port of Setubal and a few other areas.

FOREIGN AFFAIRS

Just as Spain has formed West Europe's chief link to Latin America, Portugal has sought to be the EC's interlocutor with sub-Saharan Africa, a role that is more important because of the Soviet Union's withdrawal from that area. Foreign Minister José Manuel Durão Barroso has stressed his country's "historic responsibility" to its former territories: Angola, Mozambique and Guinea-Bissau. Although these strife-torn states inherited Portugal's authoritarian background, he hopes that, like their mother country, they will "evolve toward more pluralistic solutions."[16]

To that end, Lisbon has hosted meetings between the Angolan government and the rebel National Union for the Total Independence of Angola (UNITA), which is attempting to overthrow it. Once a cease-fire is obtained, the Luanda regime could permit power-sharing if the UNITA guerrillas lay down their arms and renounce subversion. Cavaco Silva devoted his August, 1990, vacation in São Tomé e Príncipe, a West African island republic, to talks with Angola's chief executive about terminating hostilities.[17]

Portugal has used its good offices less successfully to facilitate negotiations between the government of Mozambique and the Mozambican National Resistance (Renamo), a shadowy, right-wing resistance movement. Still, at the request of London and Madrid, the Portuguese helped obtain the release of Spanish and British hostages captured during the civil war.

In addition to peace-making efforts, Lisbon has encouraged trade and investment with its former territories and has lobbied for aid to Africa from the European Development Fund and individual EC members.

> Portugal has always had a natural, historical inclination toward the Atlantic and toward Africa [Durão Barroso emphasized]. We think that it would be wrong, no matter what the model for political union to be followed, for Europe to close in on itself in a sterile and selfish Eurocentrism.[18]

Even as it integrates with Europe, Portugal prizes its special ties with the United States. Military interests lie at the heart of this relationship. A Portuguese admiral holds the North Atlantic Treaty Organization's Iberian sea command, whose staff embraces Americans, British and Portuguese (with Spanish and French liaison officers). The Lajes air base in the Azores constitutes the most conspicuous Portuguese-American bond. The facility, important for projecting United States military power in Europe and the Middle East, is governed by an agreement that can be renegotiated in 1991, at the instance of either party. Cavaco Silva will exercise this option and seek more resources from Washington for continued United States use of the bases.

Portugal's swift and complete cooperation with Washington during the August, 1990, Persian Gulf crisis should strengthen the Prime Minister's position. While he is expected to drive a hard bargain, he will not emulate the Philippines and ask the United States to diminish its presence. Even though

[15]Interview with María Helena André, International Department, General Workers Union, Lisbon, August 9, 1990.
[16]Durão Barroso quoted in *Expresso*, May 5, 1990, p. 17.
[17]*Diário de Notícias*, August 10, 1990, p. 3.
[18]Quoted in *Expresso*, May 5, 1990, p. 18.

the United States Congress has never appropriated the $200 million anticipated in the early 1980's, the Lajes air base acquires dollars, employment, technical training and military equipment for Portugal. More important, the airfield and the bilateral accord with Washington demonstrate that, while a small and comparatively impecunious EC member, Portugal retains a geopolitical significance appreciated by the world's foremost military power.

CONCLUSION

Portugal's evolution from a dictatorship to a prospering democratic member of the Community represents one of West Europe's most impressive success stories. Cavaco Silva deserves credit for tenaciously championing an Iberian version of perestroika, and his Indiana-size nation of 10.3 million people has proved a magnet for investors. His determination and resolve have been essential, but thus far the Prime Minister has had relatively easy decisions to make in implementing his free market beliefs. Now he faces the far more complex task of sustaining growth amid strong inflationary pressures while advancing Portugal's integration into the European Community.

Confronting this challenge, he must contend with an effectively led, reinvigorated Socialist party that is assiduously courting individuals and groups disgruntled with the social and economic changes sweeping their country. Winning the 1991 parliamentary elections will be the toughest test that Cavaco Silva has yet encountered. ■

THE UNITED STATES AND THE NEW EUROPE

(Continued from page 356)

countries at the head-of-state level once a year and at the ministerial level twice a year.

Beyond this, it will be necessary to revise the CSCE to make it more reflective of the disparities in Europe. Only with such a transformation will it grow into a more effective organization. At present, each of the 35 nations has one vote, and unanimity is required. Thus, a Malta, Cyprus or Vatican can exercise a veto. Among the 35 nations there are great differences not only of size but of economic and military resources, geography, history, culture and recent national experience. It would, therefore, be desirable to organize some caucuses of a more limited number of states within the CSCE to deal with certain issues. There should also be an improved decision-making and steering mechanism that might be based on weighted voting and might include regional or core groups. Some East European countries, for example, might propose ways to deal with ethnic problems that cross over their state boundaries. Where violence has occurred or is feared, they could even undertake a peacekeeping role.

NATO'S UNCERTAIN FUTURE

There is a widespread acceptance of the fact that NATO will need to be significantly transformed in order to make it relevant in the changed circumstances of the 1990's. The Alliance was a great success in the cold war era, but it was based on a military threat that has now greatly diminished. Barring a recrudescence of that threat, the principal questions are in what manner and with what speed NATO will be transformed. Those who argue that NATO is not even needed for the coming decade are in a distinct minority.

Important changes need to be made in NATO's military strategy, some of which were initiated at the Alliance's summit meeting on July 5 and 6 in London.[5] Most urgently, the outmoded strategy of "forward defense," which requires a heavy concentration of tanks and troops along the border between the two Germanys, has been overtaken, even if NATO forces are not stationed in what was East Germany. The Warsaw Pact as a military instrument has de facto collapsed because of the neutral status of the East European countries. Soviet forces in Hungary and Czechoslovakia are being pulled out, and the days of the forces remaining in Poland and East Germany are numbered.

Accordingly, NATO's conventional defense will depend on a light layer of troops backed up by a limited number of small, mobile armored units. The long warning time that will be available should Moscow ever take the unlikely step of initiating a ground attack justifies a heavy dependence on reserve forces. NATO's ground forces are likely to be considerably reduced in the next years, beyond even the levels envisaged in the CFE agreement that is close to completion. American troop levels in Europe will be reduced from 330,000 to 100,000 or less within the next few years. With less manpower available, NATO can reconfigure its forces into multinational units at the corps level.

Nuclear strategy must also be reappraised. The Alliance's leaders agreed at the London summit to modify the traditional "flexible response" strategy to make nuclear forces truly weapons of "last resort." Exactly what this means, however, is not clear, because "flexible response" was a compromise concept intended to patch over differences within the Alliance, with some countries regarding nuclear arms as an option only as a last resort. The operational consequences of this change are not clear. In-

[5]"The London Declaration on a Transformed North Atlantic Alliance," United States Department of State, *Selected Documents,* no. 38 (July, 1990). For excerpts, see "London Declaration on a 'New Europe' " in *Current History,* October, 1990.

deed, it would be far better to adopt a policy of "no first use" of nuclear weapons. The old argument about maintaining a level of uncertainty about whether or not these arms would be employed makes little sense in the changed circumstances.

This is all the more true in view of the fact that the United States intends to withdraw ground-based nuclear weapons from Germany. After the first CFE agreement is reached, the Alliance should begin negotiations with the Soviet Union on short-range nuclear forces, with the aim of eliminating all nuclear artillery shells from Europe. An East-West balance of air- and sea-based nuclear weapons could then become a longer-term objective, with the aim of limiting both sides to minimum deterrence.

Such military changes in NATO should be accompanied by the political transformation of the Alliance if it is to reflect the altered situation accurately. Internally, there should be a reconfiguration of roles and responsibilities to increase the European weight in the organization. Externally, the Alliance should play a leading role in all future arms control arrangements with the Soviet Union. It also should reconsider whether the common interests of its members in coping with insecurity and instability in conflicted third world regions might not sometimes lead to a joint approach. Even with such steps, however, NATO will probably not retain the dominant place in the West that it occupied during the cold war years.

TOWARD A EUROPEAN UNION

The coming years should see progress toward political union in Europe. Most of the economic goals of the 1992 program for an internal market will be achieved. Although there is likely to be continuing tension between the aims of concentrating on "deepening" the level of integration and "broadening" the EC to bring more states into full membership, the common interests of the Europeans will grow. Inevitably and as a consequence of the changing times, this will occur at the expense of the Atlantic ties with the United States.

Europe will be moving toward a greater coalescence in matters of foreign policy and defense, although the exact form this will take is unclear. The EC has so much on its current economic agenda that it would be unwise to burden it further with the complications of a security dimension. In spite of its modest track record to date, there would be much merit in enhancing the role of the Western European Union (WEU), with its nine members all belonging to both the EC and NATO. Alternatively, an altogether new institution could be created to embody the notion of a "European Pillar," but it would be preferable to build on an existing foundation. The best solution might be an energized WEU existing in parallel to the Community as part of an overarching political union.

BONFIRE OF UNCERTAINTIES

The number of critical unknowns during this period of rapid change constitutes a veritable bonfire of uncertainties. Will the Soviet Union break up into a group of nations, with a possible dispersion of its nuclear weapons? What would this mean for the security of Europe? What will be the future of Central Europe with its ethnic rivalries, embryonic political parties and institutions, unfavorable ecological conditions and difficult economic prospects? What new directions might a powerful unified Germany take with respect to neutralism, nuclear weapons or new economic arrangements? Will the momentum toward political unity in Europe gain speed and make it a world power, or will national rivalries and the unwillingness to release elements of national sovereignty doom Europe to the side game? The answers to these questions, among others, will determine many aspects of the new European order.

Given this range of uncertainties, the United States will need to be flexible, creative and patient. It is likely that NATO will be required, for a period of time, to be an instrument of reassurance for West Europe, insurance against a revival of a Soviet threat, and assurance of the transatlantic connection. It is unlikely that the CSCE will provide an alternative system of collective security very soon. Both a transformed NATO and an enhanced CSCE will be needed, at least for an extended period of transition. In any case the United States should remain a European power and Europe should become a world power.

We are at a pivotal moment in history and it is important that we do things right. If the new European order is not created wisely, we may doom ourselves to tragedy just as the new order created by the Versailles peace settlement after World War I broke down after only two decades. ■

TURKEY

(Continued from page 381)

for this region are twofold. The first program is Ankara's effort to bring a basic infrastructure—roads, electricity and schools—to all parts of this region by the end of the decade. This target will most probably be met. The second program is the enormous Southeast Anatolian Project (GAP), a massive effort harnessing the Tigris and Euphrates rivers to produce millions of kilowatt-hours of electricity and to irrigate millions of acres of land across six southeastern provinces. GAP envisions some ten dams, the largest being the Ataturk Dam, and

13 separate development schemes over the next 30 years.

Turkey's relations with Iraq and Syria were further strained when Ankara decided to cut the flow of the Euphrates River in order to fill a reservoir behind the Ataturk Dam. Turkey promised to unblock the river in one month (and did so), but Damascus and Baghdad were furious. Both Iraq and Syria are heavily dependent on the waters for power generation and irrigation purposes. Both countries fear that Ankara might use the waters of the Euphrates as a weapon, despite Turkey's repeated assurances that the cut-off was necessary for technical reasons.[25] While technical experts confirm Turkey's position, political analysts suggest that the cut-off highlighted Turkey's relative strength in the region; control over the waters does provide Ankara with significant leverage if the PKK continues to destabilize southeastern Turkey.

Iraq and Syria have each proposed a tripartite treaty that would determine the sharing of these waters. Initial discussions among the three protagonists ended in failure. Ankara is unwilling to commit itself, particularly while the GAP program is near completion. When finished, the GAP, more than any other program, has the potential over the coming decades to change the face not only of southeastern Turkey but of its neighbors as well. This project will also go far toward integrating the Kurds, both economically and socially, into the rest of Turkish society.

THE DOMESTIC SCENE

The inauguration of Turgut Ozal as President of the republic in November, 1989, was a political watershed for Turkey. It was a turning point in the sense that it removed the most tangible reminder of military rule, President Kenan Evren, who, as chief of staff in 1980, reluctantly ordered the military into the streets. Ozal's election replaced Evren with a civilian President for only the second time in the history of the Turkish Republic. President Evren was viewed as a paternal figurehead, while President Ozal has indicated from the outset that his presidency will be far more interventionist in political and economic spheres.[26]

In the wake of President Ozal's election to the presidency, the ruling Motherland party (ANAP) has been confronted by weak opposition. But the principal question it faces is not policy as much as whether the party can survive the internal dissensions between several competing personalities and factions:[27] Mehmet Kececiler, representing the Islamic wing of ANAP; Hasen Celal Guzel, the leader of the conservative wing; Mesut Yilmaz, former foreign minister, and Ekrem Pakademirli, former finance minister, both of the liberal group; and Prime Minister Yildirim Akbulut, a political unknown whom Ozal selected to succeed him as party chairman and Prime Minister. Despite the show of party unity after Akbulut's election as Prime Minister and despite a liberal distribution of extra ministries to placate the various factions in ANAP, Akbulut's appointment does not sit well with the party's rank and file, who may be biding their time until the next party congress in February, 1991.

Akbulut recently announced that he will stand for re-election as party chairman of ANAP. His chances of winning were enhanced in June, 1990, when ANAP was able to garner 36.2 percent of the popular vote in the mini-municipal elections, as opposed to the all-time low of 22.7 percent reached in the March, 1989, municipal elections. Akbulut took a very active part in the campaign, and although he has not yet made any Cabinet changes since the June elections, it appears that he is ready to "dig in his heels" against the personalities and the factions mentioned, in advance of the next party congress.[28]

The primary reason for ANAP'S continuance in power is the poor quality of its divided opposition, a situation that is unlikely to change in the foreseeable future. The prospect of early parliamentary elections, already demanded by the opposition, is not in the offing and probably will take place no sooner than 1992.

The principal opposition consists of the Social Democratic Populist party (SDPP), led by Erdal Inonu, and the conservative True Path party (TPP), led by four-time Prime Minister Suleyman Demirel.[29] The SDPP is the main opposition party in Parliament, but it is Demirel who has been most vocally critical of ANAP. Inonu's party has faced major internal problems, conflicts between the moderates and the leftists—a division sharpened by

[25] *Briefing,* no. 794, July 2-9, 1990, pp. 9-10.

[26] ANAP lacks the necessary two-thirds' vote in Parliament to amend the constitution to create a presidential system as found in France today. In reality, however, by his actions of executing all major policy decisions that were in the past the authority of the Prime Minister, Ozal is gradually moving in the direction of a French-style presidency.

[27] When President Ozal was head of ANAP and also the Prime Minister, he was able to mediate the divisions in his party and hold it together. Also, through the distribution of ministerial portfolios, he was able to buy off challenges from these several factions and personalities.

[28] Akbulut and ANAP won another electoral victory on August 19, 1990, when 13 newly created districts and one municipality's electorate went to the polls.

[29] Before the election, ANAP held 277 seats in the Grand National Assembly, the SDPP held 81 seats and the Truth Path party, 55. In addition, several minority parties and independents held a total of 28 seats, and the remaining nine seats were vacant, for a grand total of 450 seats.

the Kurdish issue. Most recently, the SDPP issued a 36-page report advocating the cultural and linguistic identity of the Kurdish people. The SDPP's primary motive seemed to be to counteract its electoral weakness in the most recent elections in the mainly Kurdish southeast. Further weakening and confusing the SDPP's electoral base is the lack of an economic program. While the moderate influence is evident in its preference for a mixed economy, deference to the left surfaces in statements regarding the SDPP's desire to renationalize certain public enterprises. The SDPP is also attempting to exploit rising worker militancy by placing the responsibility on ANAP for unabated high inflation. Unfortunately, Erdol Inonu is lackluster and does not exude confidence and charisma and must therefore bear some responsibility for the SDPP's loss of electoral support.

On the other hand, it was Demirel's TPP that represented elements to the right of center and was the largest loser in the most recent elections. This loss could be partially attributable to the complacency of the TPP; its electoral support proved unreliable. The TPP also appears to be a personality cult devoted to Suleyman Demirel, who unilaterally makes every decision affecting the party. The TPP adheres to the protection of secularism and the indivisibility of the country, but Demirel is not averse to co-opting the religious vote if it suits his purpose.

Whether or not parliamentary elections are held early, a coalition government will be the most likely outcome, because no single party today commands the electoral strength to win a parliamentary majority. The prospect of a coalition government is hardly welcome to most Turks. The weak coalitions in the 1970's are widely perceived as the underlying cause of the breakdown of law and order, which led to the reluctant intervention in the political area by the Turkish armed forces. So the most crucial test for democracy lies ahead. If the dream of Turkey's 67-year-old drive for Western-style democracy is to be realized, the parties must overcome the personal rivalries that pervade Turkish politics and establish working relationships in Parliament.

THE ECONOMY

ANAP's electoral victories are based on a platform of economic stability and curbing inflation, while at the same time generating high growth through infrastructural development. Ozal's vision of Turkey as a major regional and international industrial and trading partner remains unfulfilled; Turkey's economic gains are flawed by the government's persistent failure to halt inflation.

But if statistics are taken at face value, Turkey's inflation-plagued economy is showing signs of a return to the high growth of the mid-1980's. The gross national product (GNP) is projected to grow about 5.7 percent in 1990, compared with a growth rate of just 1.7 percent in 1989. Industrial production for the first half of 1990 increased some 11 percent, and even the inflation rate is showing signs of deceleration to about 60 percent, compared with a rate in excess of 70 percent in 1989.[30]

Foreign investors continue to show faith in Turkey, especially in joint ventures and direct investments. According to the State Planning Organization, foreign investments in the first six months of 1990 totaled $396.4 million, up 20 percent from the same period in 1989.[31] A contributing factor that has accelerated foreign investments is the convertibility of the Turkish lira, instituted in 1989, which helps to integrate the Turkish economy with the rest of the world and further enhances Turkish financial relations with the major money markets in Europe, the United States and the Far East.

On the down side, the current account deficit is about $1.1 billion, and the foreign trade deficit is $2.1 billion, with reduced hard currency holdings.[32] If these trends continue, they may lead to pressures to devaluate the lira, which would affect the export market and thwart the economic growth of the export sector.

The government's privatization policy also attracts criticism, especially since the State Economic Enterprises (SEE's) continue to be a major drain on the economy. These industries are dinosaurs, plagued by obsolescence, overstaffing, poor management and blatant political interference by the government. In the face of legislative obstacles and bureaucratic inertia, plus opposition from entrenched interests, this shift has been slow to materialize.

The major problem now facing the government is how to sustain economic growth without rekindling an inflationary spiral by increased public sector borrowing. The government will be hard pressed to find a long-term solution.

Turkey is embarking on a new decade in which relations with the European Community, NATO, the United States, and its neighbors will be governed by a new set of political and economic circumstances. For now, there appears little danger that the country will revert to the political chaos of the 1970's. A worsening economic situation and inconclusive elections leading to a weak coalition government, however, could once again lead to a reluctant intervention by the Turkish military, which views itself as the final arbiter of national politics. ■

[30] *The Middle East,* no. 189 (July, 1990), p. 33.
[31] Ibid.
[32] *Briefing,* no. 795, July 16, 1990, p. 18.

THE MONTH IN REVIEW

A Current History chronology covering the most important events of September, 1990, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arab League

Sept. 3—Chadli Klibi, secretary general of the Arab League, resigns because of Arab criticism of his handling of the Persian Gulf crisis.

Sept. 10—In Cairo, 12 of the 21 members vote to move their headquarters to Cairo from Tunis.

Asian Games

(See also *China*)

Sept. 20—The Olympic Council of Asia votes to exclude Iraqi teams from the 11th Asian Games, scheduled to open in Beijing on September 22, because of Iraq's invasion and occupation of Kuwait.

Cambodian Peace Plan

(See *Cambodia*)

General Agreement on Tariffs and Trade (GATT)

Sept. 19—Venezuela, Bolivia and Tunisia become members of GATT, increasing the membership of the organization to 99 countries.

North Atlantic Treaty Organization (NATO)

(See *Germany, West*)

Palestine Liberation Organization (PLO)

(See *Lebanon*)

Persian Gulf Crisis

(See also *Intl, Arab League, UN; U.S.S.R.; U.S., Foreign Policy, Military*)

Sept. 1—Prince Sultan, the Saudi defense minister, says that the U.S. may not use Saudi Arabia as a staging ground for attacks on Iraq.

Sept. 2—Javier Pérez de Cuéllar, the UN secretary general, ends 2 days of talks with Iraqi Foreign Minister Tariq Aziz; de Cuéllar reports that Aziz offered to release all male hostages being held by Iraq if the U.S. guaranteed that it would not attack Iraq.

Sept. 4—U.S. Secretary of State James Baker 3d announces that the U.S. military will maintain a long-term military presence in the Persian Gulf even if Iraq withdraws from Kuwait.

UN officials report that more than 400,000 refugees from Kuwait have gathered along Iraq's border with Jordan.

Sept. 6—The Saudi government pledges to pay virtually all the daily cost of U.S. troops in or near Saudi Arabia. It also promises to aid Middle East countries that have suffered because of the UN embargo.

British Prime Minister Margaret Thatcher announces that Britain will send additional forces to the Gulf and will provide $4 million in aid for refugees in the region.

Sept. 7—Kuwait's exiled Emir, Sheik Jaber al-Ahmed al-Sabah, meets with U.S. Secretary of State Baker and promises to give the U.S. $2.5 billion to help cover the military expenses of U.S. forces in the Gulf.

Sept. 11—Austria, Bangladesh, Greece and Switzerland order their diplomats in Kuwait to return home.

Sept. 13—Syria says it will send 10,000 more soldiers and 300 tanks to the multinational force in the Gulf.

Sept. 14—The Iraqi tanker *Al Fao*, halted with warning shots by U.S. and Australian warships in the Gulf of Oman, is boarded and released after no cargo is found.

French officials say that Iraqi troops entered France's embassy in Kuwait City and seized 4 French citizens; one, a military attaché, was later released.

Sept. 15—French President François Mitterrand orders 4,000 troops, plus planes and tanks, to Saudi Arabia; he also orders the expulsion of Iraqi diplomats from France.

Sept. 18—U.S. Defense Department spokesperson Pete Williams says that Iraq has moved 95,000 more troops into Kuwait and southern Iraq in the last 10 days; total Iraqi forces in Kuwait are now estimated at 360,000.

Sept. 21—Iraq expels Western diplomats and military attachés from Baghdad.

Sept. 23—Iraqi President Saddam Hussein says that if UN embargoes against Iraq strangle its economy he will respond by attacking Saudi Arabian oil fields and Israel.

Sept. 24—According to U.S. intelligence reports, Iraqi troops are preparing chemical decontamination sites in southern Iraq in the event that Iraq uses poison gas.

Sept. 25—The U.S. Defense Department reports that the Soviet Union has between 500 and 1,000 military and civilian advisers in Iraq; Soviet President Mikhail S. Gorbachev has reported that there are 153 Soviet military advisers in Iraq.

United Nations (UN)

(See also *Intl, Persian Gulf Crisis; Cambodia; Germany, West; Korea, South; Yemen*)

Sept. 1—After 2 days of discussions in Amman with UN Secretary General Javier Pérez de Cuéllar, Iraqi Foreign Minister Tariq Aziz leaves for Baghdad; no progress toward peace in the Middle East is reported.

Sept. 2—De Cuéllar says that his 2 days of talks with Aziz failed.

Sept. 16—In a unanimous vote the Security Council condemns Iraq for its acts of violence against foreign embassies in Kuwait City and promises new steps to tighten the mandated trade embargo against Iraq.

Sept. 18—The 45th UN General Assembly opens. Malta's minister of foreign affairs, Guido de Marco, is elected president.

Sept. 25—Citing Chapter 7 of the UN Charter, the Security Council votes 14 to 1 (with Cuba opposing) to impose an embargo on air traffic to or from Iraq and Kuwait.

Speaking before the General Assembly, Soviet Foreign Minister Eduard Shevardnadze warns that the UN will exercise its power to suppress acts of aggression if Iraq continues to occupy Kuwait.

Sept. 26—The Security Council rules that passenger flights to and from Iraq and Kuwait by airlines other than Iraqi Airways are not banned by the UN air embargo on Iraq and Kuwait.

Sept. 27—Kuwait's Emir, Sheik Jaber al-Ahmed al-Sabah, addresses the General Assembly and asks the members to stand by the sanctions imposed on Iraq.

Sept. 30—Leaders of 71 countires meet under UN auspices for the 1st World Summit for Children; the summit members issue a declaration aimed at committing countries to reduce

infant mortality and the dangers of childbirth worldwide, and to guarantee that all children will have access to clean water and education by the year 2000.

Warsaw Treaty Organization (Warsaw Pact)

Sept. 24—East Germany formally resigns its membership in the Warsaw Pact; it is the 1st country to leave the pact.

ANGOLA

Sept. 24—U.S. officials say that the Angolan government has agreed to permit the delivery of food relief supplies to Angolans who are starving because of drought.

AUSTRALIA

(See *Intl, Persian Gulf Crisis*)

AUSTRIA

(See *Intl, Persian Gulf Crisis*)

BANGLADESH

(See *Intl, Persian Gulf Crisis*)

BOLIVIA

(*See Intl, GATT*)

CAMBODIA

Sept. 10—After the conclusion of 2 days of peace talks in Jakarta, the Cambodian government and 3 rival factions issue a joint statement agreeing to hold the 1st session of a new Supreme National Council (SNC) as soon as possible and to permit the UN to assist in administering Cambodia until elections can be held. The SNC will consist of representatives of each of the factions.

Sept. 19—Talks in Bangkok among the Cambodian factions collapse because of disagreement over non-Communist resistance faction leader Prince Norodom Sihanouk's participation in the SNC.

Sept. 23—A compromise proposal by Prince Sihanouk on the composition of the SNC is accepted by the faction leaders, including Prime Minister Hun Sen; in the proposal Sihanouk is named chairman of the council.

CANADA

Sept. 9—At the request of the Israeli government, a Canadian court temporarily blocks the Canadian publication of a book about the Israeli secret service, the Mossad; the Israeli government says the book reveals secrets about the Israeli intelligence service.

Sept. 26—Near Oka, Quebec, an estimated 50 Mohawk Indians surrender to Canadian troops, ending their 3-month protest of a planned expansion of a golf course on tribal lands.

CHINA

(See also *Intl, Asian Games*)

Sept. 7—The official New China News Agency announces that Prime Minister Li Peng has been replaced as minister of the State Commission for Restructuring the Economy; Chen Jinhua, a low-ranking official, succeeds him.

Sept. 13—Amnesty International reports that China has executed more than 500 people this year in an effort to "clean up crime" before the Asian Games in Beijing; this is the highest level of executions since 1983.

Sept. 19—Vietnamese Deputy Prime Minister Vo Nguyen Giap arrives in Beijing to attend the Asian Games; he is the highest-level Vietnamese official to visit China since Vietnam and China fought a border war in 1979.

CUBA

(See *Intl, UN*)

CZECHOSLOVAKIA

Sept. 1—Reuters reports that Czechoslovakia and the Soviet Union have agreed to conduct their trade in convertible currency, starting in January; this is the 1st such accord between members of the former Soviet bloc.

EGYPT

(See *U.S., Foreign Policy*)

EL SALVADOR

(See *U.S., Foreign Policy*)

FRANCE

(See *Intl, Persian Gulf Crisis; Germany, West*)

GABON

Sept. 16—In the 1st multiparty elections in 22 years, voters in Libreville attack election officials and break ballot boxes, claiming that the elections were rigged in favor of President Omar Bongo.

GERMANY, EAST

(See *Intl, Warsaw Pact; Germany, West*)

GERMANY, WEST

(See also *U.S., Military*)

Sept. 9—Chancellor Helmut Kohl says that he wants to revise the constitution of a united Germany to allow German participation in UN peacekeeping forces; the current West German constitution prohibits the deployment of German forces outside the area under NATO.

Sept. 10—The West German and Soviet governments announce that they have agreed on a procedure to share the expense of withdrawing Soviet military forces from Germany.

Sept. 12—In Moscow, the foreign ministers of the former World War II allies—the U.S., the Soviet Union, France and Great Britain—and of East Germany and West Germany sign a treaty ending all Allied occupation rights in Berlin and in East and West Germany.

Sept. 20—Members of the Parliaments of both Germanys ratify a treaty that ends the division of Germany as of October 3. In the West German Parliament, the treaty is approved by a vote of 442 to 47; in the East German Parliament, the treaty is approved by a vote of 299 to 80. The treaty must be ratified by the legislatures of the U.S., Great Britain, France and the Soviet Union.

GREECE

(See *Intl, Persian Gulf Crisis*)

INDIA

Sept. 11—In Kashmir, Indian security forces fire at suspected militants traveling in a bus; during a gun battle, the bus explodes, killing 20 people.

Sept. 26—In the wake of 2 weeks of violence by students protesting a new government policy to reserve jobs for lower-caste Indians, Prime Minister V.P. Singh asks student leaders to open talks.

IRAN

(See also *U.K., Great Britain*)

Sept. 10—The Iranian government announces that it is resuming diplomatic relations with Iraq.

IRAQ

(See *Intl, Asian Games, Persian Gulf Crisis, UN; Iran; U.S., Foreign Policy; Yemen*)

ISRAEL

(See also *Canada; U.S.S.R.*)

Sept. 25—The Israeli Supreme Court rules that Israeli soldiers can tear down buildings along a Gaza Strip street because the razing meets an important military need. Near this site, an Israeli soldier was burned to death on September 20.

JAPAN

(See also *U.S.S.R.*)

Sept. 18—In its annual assessment of challenges to Japan's national security, the government officially reverses its position that Soviet forces in the Far East constitute a military threat to Japan.

Sept. 28—In Tokyo, Japanese and North Korean political party leaders agree to meet to discuss the resumption of diplomatic relations between Japan and North Korea "as soon as possible"; there have been no diplomatic ties between these 2 countries for 45 years.

JORDAN

(See *Intl, Persian Gulf Crisis*)

KENYA

Sept. 15—The Anglican Church urges the government to release a report on the killing of former Foreign Minister Robert Ouko; Ouko's body was found on February 16.

KOREA, NORTH

(See *Japan; Korea, South*)

KOREA, SOUTH

(See also *U.S.S.R.*)

Sept. 4—North Korean Prime Minister Yon Hyong Muk arrives in Seoul for talks with South Korean delegates on improving relations between North and South Korea; this is the 1st meeting of high-level North and South Korean representatives since the end of the Korean War in 1953.

Sept. 5—Talks between North Korean Prime Minister Yon Hyong Muk and South Korean Prime Minister Kang Young Hoon begin; the North Korean Prime Minister demands the withdrawal of U.S. troops from South Korea as a prerequisite for further progress toward Korean reconciliation.

Sept. 6—The talks end; both Prime Ministers agree to meet again, next time in Pyongyang; they agree to begin separate discussions on their joint occupation of a single seat at the UN.

KUWAIT

(See *Intl, Asian Games, Persian Gulf Crisis, UN; U.S., Foreign Policy*)

LEBANON

Sept. 8—In Sidon, PLO forces loyal to leader Yasir Arafat and a faction loyal to Abu Nidal continue to fight; at least 45 people have been killed in several days of battles.

Sept. 9—PLO forces loyal to Arafat overcome the forces of Abu Nidal.

LIBERIA

Sept. 2—The Ghana News Agency reports that, after fighting rebels led by Charles Taylor, a 5-nation West African peacekeeping force took control of the center of Monrovia on September 1.

Sept. 10—*The New York Times* reports that rebel forces under Prince Yormie Johnson captured President Samuel K. Doe after he was wounded in a gun battle in Monrovia on September 9; Johnson told the British Broadcasting Corporation (BBC) that he is declaring himself President until elections can be held.

Diplomats report that Doe was killed by rebel forces either during or after his capture.

Sept. 16—A spokesman for the West African peacekeeping force says that its soldiers have attacked rebel positions in Monrovia belonging to Charles Taylor; the attack is in retaliation for rebel attacks on the force's headquarters on September 14.

Sept. 21—Taylor announces a unilateral cease-fire to begin on September 22; he says that he hopes all parties, including the West African peacekeeping force, will comply.

Sept. 25—In Monrovia, Doe supporters burn, loot and vandalize shops and businesses.

Sept. 29—In Monrovia, the cease-fire of September 22 is apparently broken as Taylor's rebel forces engage in an artillery and rocket duel with trapped government forces.

MALTA

(See *Intl, UN*)

MYANMAR

Sept. 6—General Saw Maung, the de facto leader of Myanmar, offers to free the leading opposition figure, Aung San Suu Kyi, if she goes into exile abroad. Aung San Suu Kyi was put under house arrest in July, 1989.

Sept. 7—The government announces the arrest of 6 leaders of the opposition National League for Democracy (NLD), including its acting leader, U Kyi Maung. The NLD won the free elections in May, but the government has not ceded power.

Sept. 10—In Mandalay, about 1,000 anti-government protesters, including Buddhist monks and students, destroy a fire station and attack security police.

NEPAL

Sept. 10—A new constitution that would end absolute monarchy in Nepal is presented to King Birendra by an independent commission; the constitution also calls for a Parliament, with elections slated for April, 1991.

NEW ZEALAND

Sept. 4—Prime Minister Geoffrey Palmer resigns in order to avoid a no-confidence vote in Parliament; Foreign Minister Mike Moore succeeds him as Prime Minister.

NICARAGUA

(See *U.S., Political Scandal*)

PAKISTAN

Sept. 1—The caretaker government announces that it intends to try former Prime Minister Benazir Bhutto on several counts of corruption and abuse of authority.

Sept. 10—Bhutto is formally charged with abuse of power; if convicted, she could be disqualified from participating in the October 24 elections.

Sept. 30—Ousted Prime Minister Bhutto is brought before a special court where she is charged with corruption.

PHILIPPINES

(See also *U.S., Foreign Policy*)

Sept. 12—President Corazon Aquino ends military offensives against Communist insurgents in Manila and in the provinces damaged by earthquakes in July; she says that this is an effort to assure the rebels of the government's sincerity.

Sept. 17—Aquino says that it is time to consider an "orderly

withdrawal" of U.S. forces from the Philippines. In rallies outside the U.S. embassy, police clash with demonstrators demanding the withdrawal of U.S. forces.

Sept. 23—In Manila, 2 hotels are bombed, wounding 6 people; army rebels trying to overthrow Aquino are suspected.

Sept. 28—16 members of the military are convicted of assassinating President Aquino's husband, Senator Benigno Aquino, in 1983, and are sentenced to life in prison; the senator was President Ferdinand Marcos's chief political rival.

POLAND

Sept. 17—Solidarity leader Lech Walesa says that he will run for President. President Wojciech Jaruzelski has said he will leave office before the end of his 6-year term to allow free elections in either the fall of 1990 or the spring of 1991.

Sept. 19—Jaruzelski asks the lower house of Parliament to set the date for ending his term of office; he says he is stepping down "to prevent undesirable public sentiment" and to "promote democracy."

SAUDI ARABIA

(See *Intl, Persian Gulf Crisis; U.S.S.R.; U.S., Foreign Policy*)

SOUTH AFRICA

(See also *U.S., Foreign Policy*)

Sept. 4—In Sebokeng, 36 people are killed in 2 days of clashes between supporters of the African National Congress (ANC) and the Zulu-led Inkatha movement; as many as 11 of the victims were killed by troops trying to end the conflict.

Sept. 5—President F.W. de Klerk tells white voters that if the new constitution abolishing apartheid is rejected in a popular vote, the government will reopen negotiations with both white and black groups on a political settlement.

Sept. 11—De Klerk meets with ANC deputy president Nelson Mandela to discuss black factional violence; Mandela says negotiations on South Africa's future will be endangered unless the government helps to stop the violence.

Sept. 14—At a news conference after emergency meetings with de Klerk, Mandela says the President conceded that clandestine groups of right-wing whites who use black mercenaries to spread dissension are instigating some of the black factional violence.

Sept. 20—The ANC announces that it will invite Inkatha leader Mangosuthu Gatsha Buthelezi to a conference aimed at developing a strategy to combat the violence between ANC and Inkatha supporters.

Sept. 21—For the 1st time, Mandela says he is willing to meet with Buthelezi.

SRI LANKA

Sept. 13—The military says it has broken a 3-month siege by Tamil rebels of a fort in Jaffna. The town of Jaffna and surrounding areas are still held by the rebels.

SWITZERLAND

(See *Intl, Persian Gulf Crisis*)

SYRIA

(See *Intl, Persian Gulf Crisis; U.S., Foreign Policy*)

TUNISIA

(See *Intl, GATT*)

U.S.S.R.

(See also *Intl, Persian Gulf Crisis, UN; Czechoslovakia; Germany, West; Japan; U.S., Administration, Foreign Policy*)

Sept. 1—Russian republic leaders announce that President Mikhail Gorbachev and Russian republic president Boris Yeltsin have agreed on a plan to move to a free market economy in 500 days; the plan calls for total economic autonomy in the 15 republics.

Sept. 3—There is a bread shortage in Moscow as residents return from August vacations; bread is the country's most important staple.

Foreign Ministry spokesman Gennadi Gerasimov says that the U.S. military buildup in the Persian Gulf will not affect the Soviet Union's improved relations with the U.S. or threaten the upcoming summit talks with U.S. President Bush in Vienna.

Sept. 4—Speaking in Vladivostok, Foreign Minister Eduard Shevardnadze endorses the use of sanctions against Iraq, but says that resolving the Persian Gulf crisis should be linked to the establishment of an international conference to settle the Israeli-Palestinian conflict and other problems in the Middle East.

Sept. 6—Shevardnadze and Japanese Foreign Minister Taro Nakayama end 3 days of talks aimed at improving Soviet-Japanese relations; Japanese Prime Minister Toshiki Kaifu says that Gorbachev will visit Tokyo in April, 1991.

Sept. 7—Shevardnadze says that the government is willing to negotiate with Japan to settle the dispute over the Kurile islands; the islands, claimed by Japan, were seized by the Soviet Union at the end of World War II.

Sept. 11—Gorbachev endorses a plan to install a free market economy within 500 days; immediately thereafter, the Russian republic parliament votes, 251 to 1, to approve the plan.

Sept. 13—Nikolai Y. Petrakov, Gorbachev's chief economic adviser, warns that the monetary system is disintegrating because of government infighting over the transition to a free market economy.

Sept. 15—In a televised speech, Prime Minister Nikolai Ryzhkov says that the economy is too weak to withstand the rapid economic transition demanded by his critics; he urges Gorbachev to sign an emergency order extending the existing economic structure until the end of 1991.

Sept. 16—In Moscow, about 30,000 people rally outside the Kremlin to protest meat shortages and demand the resignation of Prime Minister Ryzhkov and the Cabinet; the rally supports the 500-day transition to a market economy.

Sept. 17—Gorbachev proposes a national referendum on whether private ownership of land should be legalized, saying that it is too important an issue to be decided by high officials.

Sept. 18—Gorbachev ends 3 days of meetings with Saudi Foreign Minister Prince Saud al-Faisal in Moscow; they restore diplomatic relations between the Soviet Union and Saudi Arabia, breached 52 years ago. Prince Saud says that Soviet troops will be welcome to join the multinational forces opposing Iraq.

Sept. 23—Ryzhkov warns that potatoes, the country's 2nd most important staple, may be in short supply in the coming winter.

Sept. 24—Parliament grants Gorbachev's request of September 21 for emergency economic powers for 18 months; it postpones consideration of how to move to a free market economy.

Sept. 26—The Supreme Soviet approves a law granting freedom of religion.

Sept. 29—Gorbachev approves direct flights between the Soviet Union and Israel; the flights are to begin within a month and will accelerate the emigration of Soviet Jews to Israel.

Rishat Adamov, chairman of eastern Kazakhstan's Regional Committee on Environmental Protection, says that as many as 120,000 people are believed to have been contaminated by the release of beryllium oxide into the atmosphere from a nuclear fuel processing plant in Ust-Kamenogorsk on September 12.

Sept. 30—Soviet Foreign Minister Shevardnadze and South Korean Foreign Minister Choi Ho Joong announce the establishment of diplomatic relations between the Soviet Union and South Korea.

UNITED KINGDOM

Great Britain

(See also *Intl, Persian Gulf Crisis; Germany, West*)

Sept. 19—The Irish Republican Army (IRA) takes responsibility for wounding Sir Peter Terry, a former governor of Gibraltar, on September 18; Terry authorized a 1988 security operation in Gibraltar in which 3 IRA guerrillas were killed.

Sept. 27—Britain and Iran announce the resumption of diplomatic relations, which were broken 18 months ago.

UNITED STATES

Administration

Sept. 9—In Helsinki, President George Bush and Soviet President Mikhail Gorbachev issue a joint statement saying that they will act "individually and in concert" to see that Iraq's "aggression ends, and if the current steps fail to end it, we are prepared to consider additional ones. . . ."

Sept. 17—At a news conference, President Bush says that he is not convinced that more money for AIDS (Acquired Immune Deficiency Syndrome) research would facilitate the search for a cure for AIDS.

Sept. 23—*The New York Times* reports that more than 6,000 jurisdictions in the U.S. are challenging the Census Bureau's counts, which are to become final December 31. The majority of the jurisdictions, which include the country's 51 largest cities, claim that the Census Bureau has undercounted the number of people in their jurisdictions.

Sept. 26—President Bush announces that the U.S. will sell 5 million barrels of oil from its Strategic Petroleum Reserve; he says there is "no justification" for the sharp rise in oil prices.

Sept. 30—President Bush and congressional negotiators agree on the 1991 fiscal year budget with a projected budget deficit of $293.7 billion; the estimate made in July was $60 billion lower; the new budget will raise taxes on gasoline, tobacco, alcohol, airplane tickets and some luxury items; taxpayers with incomes over $100,000 will lose some deductibility, and taxes for Medicare will increase; the negotiators estimate a reduction in the fiscal 1991 deficit of $40 billion ($500 billion over 5 years). They agree to extend the deficit-reduction law deadline from fiscal 1993 to fiscal 1996.

Economy

Sept. 6—The Federal Deposit Insurance Corporation reports that profits at the nation's commercial banks fell to $5.3 billion in the 2d quarter of 1990.

Sept. 7—The Labor Department reports that the nation's unemployment rate rose to 5.6 percent in August.

Sept. 14—The Labor Department reports that its producer price index rose 1.3 percent in August.

Sept. 18—In Los Angeles County Superior Court, Charles H. Keating Jr., former president of Lincoln Savings and Loan Association in Irvine, California, is indicted on charges of criminal fraud. Keating's mismanagement will cost taxpayers an estimated $2 billion.

The Commerce Department reports that the foreign trade deficit in July was $9.33 billion.

Sept. 19—The Labor Department reports that the consumer price index rose by 0.8 percent in August, the largest increase since January.

L. William Seidman, the head of the Resolution Trust Corporation, tells the House Ways and Means Committee that his organization will need between $100 billion and $110 billion in the next fiscal year in order to bail out the nation's failed savings and loan institutions.

Sept. 20—The Federal Reserve Board approves J.P. Morgan and Company's request to underwrite securities; it is the 1st time a bank has been allowed to underwrite stocks since the Glass-Steagall Act of 1933 forbade the practice.

Sept. 24—The Treasury Department reports that the federal budget deficit was a record $241.7 billion in August.

Sept. 25—The Commerce Department reports that the gross national product (GNP) grew by 0.4 percent in the 2d quarter of 1990.

Sept. 27—The price of a barrel of crude oil jumps to $39.54 on the New York Mercantile Exchange.

The Dow Jones Industrial Average of 30 blue-chip stocks closes at a 16-month low of 2,427.48.

Sept. 28—The Commerce Department reports that its index of leading economic indicators fell 1.2 percent in August, the sharpest fall since October, 1987.

Foreign Policy

(See also *Intl, Persian Gulf Crisis; Germany, West; Korea, South; Philippines; U.S.S.R.*)

Sept. 4—President Bush announces a proposal to forgive $7 billion owed to the U.S. by Egypt for military aid; Congress must approve the proposal.

Sept. 5—In testimony before the Senate Foreign Relations Committee, Secretary of State James Baker 3d says that it will "take some time" to weaken Iraq's economy.

Sept. 8—President Bush arrives in Helsinki to meet Soviet President Gorbachev on September 9.

Sept. 10—Administration officials, speaking on condition that they are not identified, say that during the Helsinki summit, President Bush invited Soviet President Gorbachev to play a role in Middle East peace efforts; the U.S. has previously opposed such participation.

Sept. 11—In a televised address before a joint session of Congress, President Bush says that in spite of the danger to hostages held by Iraq, the U.S. is determined to force Iraq from Kuwait.

Sept. 14—The Defense Department announces that the U.S. plans to sell Saudi Arabia $20-billion worth of advanced weapons and technology, including F-15 fighter planes, over the next few years; Congress must approve the sale.

Secretary of State Baker meets in Damascus with Syrian President Hafez Assad; Assad assures him that Syria will continue to send military forces to the multinational force in the Persian Gulf.

Sept. 16—In a videotape broadcast to the Iraqi people on Iraqi television, President Bush says that Iraq's leaders have brought them to "the brink of war"; he says that Iraq is "isolated and alone" and that "there is no way Iraq can win."

Sept. 17—Secretary of Defense Dick Cheney dismisses Air Force Chief of Staff General Michael J. Dugan after Dugan publicly discusses U.S. contingency plans to bomb Baghdad and "decapitate" the Iraqi government.

Sept. 22—In Manila, talks with the Philippine government on the future of U.S. military bases in the Philippines end without an agreement on reducing the number of U.S. troops stationed there; talks are to resume in October. On September 18, Assistant Defense Secretary Richard L. Armitage said that the U.S. is willing to reduce the number of troops stationed in the Philippines.

Sept. 24—In Washington, D.C., President Bush meets with South African President F.W. de Klerk; President Bush says that he will ask Congress to modify or end some of the sanctions imposed on South Africa under the 1986 Comprehensive Anti-Apartheid Act if de Klerk meets 4 of the 5 conditions in the act.

Salvadoran President Alfredo Cristiani arrives in Washington, D.C., for 4 days of talks with President Bush.

Sept. 28—The Kuwaiti Emir, Sheik Jaber al-Ahmed al-Sabah, meets President Bush at the White House.

Sept. 29—In New York, Secretary of State Baker meets with Vietnam's Deputy Prime Minister and Foreign Minister Nguyen Co Thach in what the State Department characterizes as an "exceptional meeting," which is "a step in the direction" of normalizing U.S.-Vietnamese relations.

Legislation

Sept. 4—The House returns from a recess.

Sept. 13—The Senate Judiciary Committee begins hearings on David Souter, President Bush's choice as an Associate Justice of the Supreme Court.

Sept. 27—The Senate Judiciary Committee votes 13 to 1 to endorse Souter as an Associate Justice of the Supreme Court; Edward Kennedy (D., Mass.) votes against the endorsement.

Sept. 28—The House gives final congressional approval to stock market regulation legislation; the regulation gives the Securities and Exchange Commission (SEC) the authority to regulate computerized trading that seems to be contributing to excessive market fluctatuation.

Sept. 30—Congress approves a stop-gap spending bill to keep the government operating until October 5.

Military

Sept. 17—*The New York Times* reports that Deputy Secretary of Defense Donald Atwood decided on September 13 to suspend indefinitely the Defense Department's land acquisition program for new military bases.

Sept. 18—The Defense Department announces that it is closing or cutting back operations at 150 military installations throughout the world; 94 bases in West Germany are to be closed.

Sept. 26—Defense Secretary Cheney orders the withdrawal of 40,000 U.S. troops from Europe, starting in October.

Political Scandal

Sept. 18—In U.S. District Court in Baltimore, former CIA (Central Intelligence Agency) official Thomas Clines is convicted on 4 income tax charges involving the sale and shipment of weapons to the contra rebels in Nicaragua. Clines faces a maximum penalty of 16 years in prison and a $1-million fine.

Sept. 28—*The New York Times* reports that the Special Counsel to the Senate Ethics Committee, Robert S. Bennett, is recommending that the panel clear Senator John Glenn (D., Ohio) and Senator John McCain (R., Ariz.) because of lack of evidence showing their links to the former president of the failed Lincoln Savings and Loan Association, Charles Keating Jr.; the counsel advises the panel to continue investigating Senators Alan Cranston (D., Cal.), Donald Riegle Jr. (D., Mich.) and Dennis De Concini (D., Ariz.).

VENEZUELA

(See *Intl, GATT*)

VIETNAM

(See *China; U.S., Foreign Policy*)

YEMEN

Sept. 5—The government radio announces that Yemen will ask the UN to compensate Yemen for the $2.5 billion it expects to lose this year as a result of the embargo against Iraq.

YUGOSLAVIA

Sept. 3—In Kosovo, more than 100,000 ethnic Albanians strike, closing factories, offices, stores and schools to protest Serbian takeovers of formerly Albanian-controlled enterprises and the dismissal of Albanian workers. Serbia took control of Kosovo and dissolved its parliament in July after the Albanian majority in the province declared the region a separate territory within the Yugoslav federation.

Sept. 13—The Yugoslav press agency reports that ethnic Albanian members of the dissolved parliament of Kosovo have adopted an alternative constitution and have voted to extend the mandate of parliament until new elections are held. The Serbian government has called the alternative constitution illegal.

ZAMBIA

Sept. 24—Agreeing to opposition demands, President Kenneth Kaunda says he will recommend constitutional amendments that permit multiparty parliamentary and presidential elections. ■

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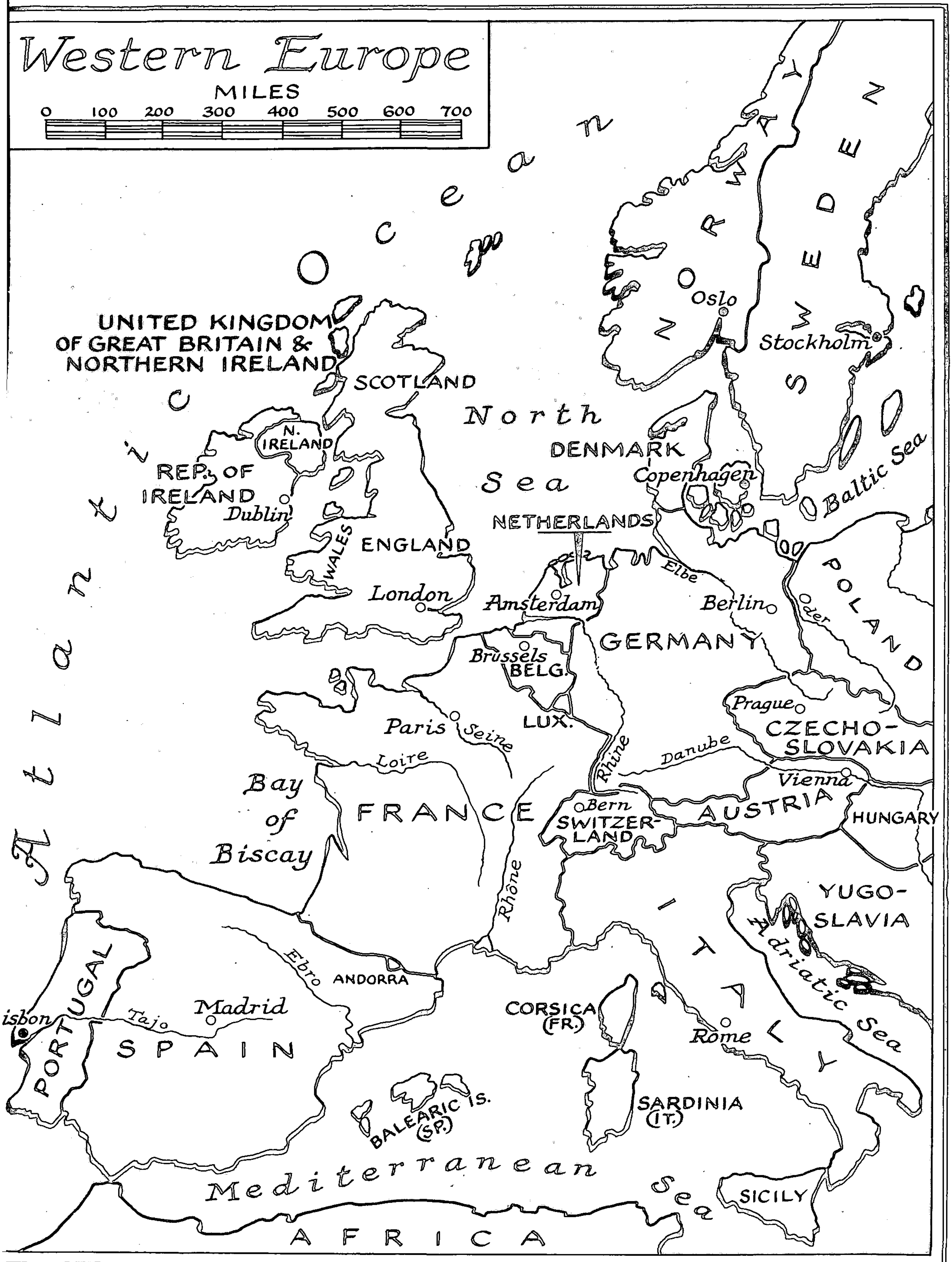
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